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LATIN AMERICA REPORT

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CONTENTS PAGE

INTER-AMERICAN AFFAIRS

Brazil's Participation in Southern Cone Urged
(Editorial; LA PRENSA, 23 Dec 79)..... 1

BRAZIL

Weather Permitting, Record 1979/80 Crops Predicted
(O ESTADO DE SAO PAULO, 20 Jan 80)..... 3

CUBA

'AFP' Comments on Recent 'Revolutionary' Changes in Nation
(Jacques Thomet; AFP, 26 Jan 80)..... 14

Commentary Stresses Internationalist Aid to Nicaragua
(Havana International Service, 28 Jan 80)..... 17

Visiting Dominican Legislators' Activities Reported
(Various sources, various dates)..... 19

Santiago People's Government Visited
Received at Foreign Ministry
Havana Psychiatric Hospital Visit
ICAP Reception
Vecino Alegret Meeting

Netherlands CP Delegation Visit Reported
(Various sources, 21 Jan 80)..... 22

Communique Issued
Meeting With Fidel Castro

CONTENTS (Continued) Page

Mexican Labor Secretary on Courtesy Visit
(Havana Domestic Service, 21, 23 Jan 80)..... 24

Visits State Committee
Espin Receives Delegation

Spanish Delegation Arrives To Sign 1980 Financial Protocol
(Various sources, various dates)..... 25

Foreign Bank of Spain Delegation
Signing in Havana
Received by Carlos Rafael Rodriguez
Delegation Ends Visit

Risquet Visits Holguin Construction Projects
(Havana Domestic Service, 25 Jan 80)..... 27

Havana City Party Committee Holds Plenum
(Havana Domestic Service, 28 Jan 80)..... 28

Reportage on Jose Marti Birth Anniversary Celebrations
(Havana Domestic Service, various dates)..... 29

Hart on Marti Thoughts
Pioneers Parade in Havana
Castro Sends Floral Wreath
Marti Studies Seminar
Vietnamese Honor Marti
Marti, Vietnamese Party Anniversaries

FAR Construction Women Discuss Worker Discipline, Effort
(VERDE OLIVO, 6 Jan 80)..... 32

FAR Armaments Service Anniversary Marked
(Havana Domestic Service, 26 Jan 80)..... 34

Tobacco, Sugar Crops Diseased; Cigar Factories Close
(Jacques Thomet; AFP, 18 Jan 80)..... 36

Briefs
Holguin Sugar Harvest 37
Sugarcane Planting 37
Cienfuegos Sugar Harvest 37
Camaguey Harvest Work 38

CONTENTS (Continued) Page

Iraqi Financial Donation 38
Holguin Party Meeting 38
Las Tunas Party Plenum 38
Santiago de Cuba Party Plenum 39
Hydraulic Resources Meeting 39
Milian at Cooperative 39
Holguin Shipbuilding 40
Education Efforts 40
Railroad Worker Discipline 40
Fight Against Negligence 40
USSR Cinema Industry Cooperation 41
Fauna-Flora Conservation Committee 41
Cubans in Canada Threatened 41
Police Meeting 41
Havana City National Assembly 42
GDR Delegation 42
Cuban-Czechoslovak Friendship Committee 42
Czechoslovak Women's Message to Espin 42
Vice Culture Minister in Czechoslovakia 43
Casa de las Americas Anniversary 43
Higher Education Students 43
Angolan Women 44
Visit to FRG 44
Amilcar Cabral's Anniversary 44
Grenada Ambassador 44
Tanzanian Foreign Minister 44
PLO Representative 45
India Republic Anniversary 45
Vietnamese Diplomat 45
Soviet Cinema Official 45
New Cuban Culture House 46

GUATEMALA

Industrialist Foresees Continued Economic Growth in 1980
(Herbert Fischer; DIARIO DE CENTRO AMERICA, 12 Dec 79)..... 47

PARAGUAY

'HOY' Scores U.S. Ambassador, Interventionist Policy
(Editorial; HOY, 24 Jan 80)..... 67

VENEZUELA

Subcommittee To Study Oil Technology, Trade Agreements
(Alirio Bolivar; EL UNIVERSAL, 12 Jan 80)..... 69

BRAZIL'S PARTICIPATION IN SOUTHERN CONE URGED

Buenos Aires LA PRENSA in Spanish 23 Dec 79 p 1, sec 2

[Editorial: "Argentine-Brazilian Relations"]

[Text] The ministers of economy and finance of Argentina and Brazil have recently made auspicious statements. The Brazilian minister visited our country and discussed with his Argentine counterpart important questions related to rapprochement and economic cooperation between both nations.

The statements, on which we will subsequently comment, have been formalized on the Argentine side with the total absence of the secretary of state, who should have taken part due to the nature of the subject. In this case, the minister of foreign relations was conspicuously left out. It is his responsibility as secretary of this department to guide and represent the government in matters of international relations, whether they be bilateral or multinational. On the occasion under discussion, it was, instead, the minister of economy who promoted and directed Argentine international policy. Of course, we do not consider appropriate or reasonable the existence of watertight departments within the government. It is true that the economies of nations become extraterritorial with uncontrollable dynamism and, therefore, the minister of this sector must be consulted in national economic matters having extranational ramifications. But it is something else to decide what is in the best interest of the country in international affairs.

At the time of the visit of his Brazilian counterpart, not only did our country's minister of economy make charges against what had been done in the past, but he also discovered "the importance of a rapprochement (of Argentina) with Brazil." This, after stating that "It is unforgivable that, having been neighbors, the two countries have gone so long without taking advantage of the opportunity to join forces, with the aim of being even stronger together." The Argentine foreign minister does not seem to have been included in the formulation of the above-mentioned judgment or in this new design of the nation's foreign policy regarding one of our most important neighbors.

Aside from the above-mentioned statement, intended to better organize the management of public affairs, the ideas exchanged by the ministers of economy are very positive. The recommendation to jointly and solidarity face the obstacles and "challenges of a world full of conflict" is wise. As the Argentine minister correctly state, both countries have great material and human resources and complement each other.

The joint communique which followed the Brazilian minister's visit shows optimism for the character and the spirit which prevail in the relations between the two countries. Trade in the first 9 months of 1979 has shown a significant increase of 80.4 percent over the same period of 1978, and "it is estimated that total reciprocal trade will probably amount to some $1.5 billion for 1979, an unprecedented figure."

The idea of making the structure of LAFTA more flexible has been conceived to better integrate customs and will start by analyzing the growing bilateral Argentine-Brazilian integration. In this direction the supply of gas to Brazil by Argentina will be studied. In tax matters, the proposal calls for an end to double taxation. Also under consideration is the granting of reciprocal credit to finance exportation of nontraditional products and other monetary dispositions for reciprocal tourism.

That is to say, and in this also the inspiration of our minister of economy must be shared, that we must believe "in the great future of the relations between Argentina and Brazil..." and away from rivalries, we must look upon Brazil as Argentina's partner in the search for modern economic growth, for which the greatest possible fluidity in international relations is essential, continued Dr Martinez de Hoz.

A policy shared in several fields among the countries of the so-called South Cone: Argentina, Chile, Bolivia, Paraguay and Uruguay, has been promoted with justified determination. Without question Brazil should be included in this "cone." Its participation in a common action would turn the imaginary and necessary subregional group into a considerably powerful body in three aspects: political, cultural and economic. The West needs this type of regional integration to successfully unfavorable circumstances.

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WEATHER PERMITTING, RECORD 1979/80 CROPS PREDICTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Jan 80 p 57

[Text] The increase in agricultural production, a condition necessary so that Brazil can hold its inflation this year to 45 percent, is in part assured. Generally, there was an increase in the area cultivated in all states, with a few exceptions in some crops. In Rio Grande do Sul, for example, for the first time there was a decline of nearly four percent in the area planted in soybeans due to the failure of previous crops, however, even so, a record production is predicted.

For the first time, despite frosts, Parana became the largest producer of wheat, with a forecast crop of 2.2 million tons. Similarly, in the Northeast, if weather conditions are favorable, there could be one of the largest harvests in the past 10 years.

The Production Financing Commission [CFP] predicts a production for the entire country as follows: 9.5 million tons of rice; 2.5 million tons of beans; 20.05 million tons of corn and 15 million tons of soybeans. However, all those predictions are still conditioned by weather conditions and even by the conditions prevailing for the transportation of the crops. It will be necessary that it rain in certain regions and that there be sunshine in others. Although it does not directly affect crops, the results of agricultural production will be more or less important for the economy of the country depending on the trends of prices on the international market.

Northeast Expects Record Production

With more than 300,000 hectares cleared and 15,000 hectares which are ready for cultivation, the semiarid region of the Northeast could have one of the greatest harvests of the past 10 years this year if weather conditions are favorable, it is estimated by Walfrido Salmito Filho, superintendent of SUDENE [Superintendency for Development of the Northeast].

In 1976, the total area under cultivation in the region was 12 million hectares, in which corn occupied first place with a total of 2.75 million hectares. In addition to corn, the main agricultural products of the Northeast are cotton, garlic, rice, bananas, cocoa, sugarcane, onions, beans, oranges, manioc and tomatoes, in the growing of which traditional methods of production are still being used except in the growing of industrial products such as sugarcane and cocoa--which occupy the wet areas near the coast--and the irrigated crops.

According to figures from the SUDENE Department of Agriculture and Provisioning, nearly 90 percent of the agricultural-livestock units of the region use a human labor force exclusively; fewer than 5 percent use plows, nearly 7 percent use fertilizers and only .2 percent own a tractor.

From 1965 to 1974 the share of agriculture in the creation of income in the Northeast increased from 13.2 percent to 16.4 percent, a small increase, which according to research by SUDENE, has as its main reason "the existence of restraints resulting from the marketing system and the speculative process which has characterized the land market in the region preventing the agricultural sector from having any attraction in the eyes of the investor."

Also according to SUDENE estimates, during the 1965-1975 period, crops had an average share of 67 percent in the creation of agricultural income, while livestock had 27 percent, and extractive vegetable processes provided 6 percent. Cotton, sugarcane, manioc and beans, had an average share of 53 percent of the total agricultural production during the 1969-1975 period.

With respect to the land-holding structure in the Northeast, SUDENE indicates that in 1970 the landowners with fewer than 10 hectares represented nearly 68 percent of the total and they held 5 percent of the cultivated area, while the number of units with more than 500 hectares represented 1 percent of the total but with 40 percent of the area under cultivation.

The high rate of illiteracy, the land-holding structure characterized by small landholdings and large unproductive landholdings, a large number of farmers without land, a profusion of loan programs which make it impracticable for the farmers and even the financial agents to know them, and the fragmentation of resources, are the main obstacles to rural credit in the Northeast cited by SUDENE.

Weather Could Still Change the Forecasts

Despite the fact that it is a state with a solid agriculture, with nearly 5.5 million hectares planted in crops, approximately 11 million hectares in grazing land, a small strip of natural and homogeneous forest, and 1.5 million hectares in scrublands and marshlands still to be incorporated into productive activity, and although it has the second largest citrus-growing area in the world--with 120 million orange trees generating $500 million in foreign exchange annually--and a truck garden belt which supplies all of the country, Sao Paulo "still needs to increase the productivity of its agricultural sector substantially so that agriculture can justify the priority assigned it by President Figueiredo," declares Secretary of Agriculture and Provisioning Eduardo Pereira de Carvalho.

Corn, soybeans, oranges, unhulled rice, wet season beans, boll cotton and wet season peanuts are the main products of the state, which for the 1979/80 growing year had its area planted in cotton reduced by 9 percent; increased in soybeans by 5 percent; increased 3 percent in oranges and forage cane reduced by 23 percent. Also increased were the areas planted in peanuts, rice, corn and wet season beans. It is expected, therefore, that there will be an increase in the Sao Paulo harvest of peanuts, rice, beans, oranges and soybeans, and a decline in the production of cotton, and cane. Now, only one factor can change the forecasts: weather.

With the most diversified agriculture of the country, the secretary believes that this characteristic of Sao Paulo should be maintained, increasing yields by means of greater use of modern technology.

"Conservative Forecast"

Basing himself on an increase of 20 percent in the area planted--"around 4.5 million hectares now"--, in the improvement in the yield of some crops such as soybeans, and on favorable weather conditions, the secretary of agriculture of Minas Gerais, making a "conservative forecast," calculates that the next agricultural harvest of the state will be 20 to 30 percent greater than the last one. However, while the prospects are good for corn, rice, beans, and soybeans, the coffee growers of the southern part of Minas Gerais are already certain that they will suffer losses in production of from 60 to 70 percent because of the May 1979 frost.

Ranked after coffee, the main agricultural products of Minas Gerais are corn and rice followed by sugarcane, beans and soybeans. On the other hand, the technical levels employed in Minas Gerais farming are still low, admitted technicians.

According to the chief of the Planning and Coordination Advisory Office of the Secretariat of Agriculture, Rubelio Queireoz, 40 percent of the rural farmers use a low technology; 50 percent use an intermediate technology and only 10 percent use a high level of technology, mainly in the scrubland areas where large agricultural-livestock projects are located.

Technicians also find it difficult to forecast the value of the next agricultural harvest because nearly 70 percent of the farmers of Minas Gerais are small and do not use rural credit, therefore, not being included in official statistics.

Overcome Damage

The Secretariat of Agriculture of Espirito Santo expects that the 1970/80 crops will overcome the damage suffered by the agriculture of the state from the January floods in 1979, damage estimated at 600 million cruzeiros. However, they do not believe they are capable of making forecasts.

With 60,600 rural landholdings--in 1970 there were 70,700--of which 71 percent have less than 50 hectares and occupy 27 percent of the 4.5 million hectares of the territory of the state, the state's agriculture has contributed with ever-declining percentages to the composition of state income.

In 1950 its share was 50.3 percent, falling to 41.8 in 1960, to 22.8 percent in 1970, and to 10.7 percent in 1975. Coffee, which represents one-third of the state's agricultural income, manioc, cocoa, beans, corn and rice are the main agricultural products of Espirito Santo, which has a planted area of 853,704 hectares--compared to 695,000 hectares in 1975--and employed 285,000 rural workers in 1978, including 41,000 migrant workers.

Waiting for Rain

If it were to rain twice more during the next 20 days, Parana farmers believe they would obtain a record harvest, compensating for the harm done by droughts and frost in recent years. Coffee and beans, however, are excepted from this general optimism. In the case of the former, the cooperatives believe that coffee will be abandoned as a crop in coming years. As far as beans are concerned, the crop was harmed precisely by the last rains which brought such good prospects for the other crops.

In 1980, Parana could have a production of 20,253 tons [as published, presumably means 20,253,000 tons], counting the main 19 products, of which cotton, peanuts, rice, potatoes, coffee, sugarcane, onions, barley, beans, castor oil, tobacco, manioc, mint, ramie [a fiber plant], soybeans and wheat are the most important, according to estimates by the State Secretariat for Agriculture.

The Secretariat adds that the 14 main products should provide a gross income of 120 billion cruzeiros, and the marketing of these products, to which is added that of milk and livestock slaughtering will generate 7.5 billion cruzeiros in ICM [Tax on Movement of Merchandise], and a little more in FUNRURAL [Fund for Social Assistance and Welfare for the Rural Worker], exchange tax and export taxes.

To encourage that production, the government should provide 60 billion cruzeiros in rural loans in 1980, of which 80 percent will be taken up by soybeans, wheat and coffee. However, according to Secretariat technicians, those resources will benefit at most 20 to 25 percent of the 450,000 farmers of the state, who occupy a cultivated area of 7.4 million hecares, of which 5.4 million are planted only in soybeans, wheat, corn and coffee, employing 2.9 million farm workers, among whom is a contingent of migratory workers whose numbers in 1976 was estimated at 800,0(

The most mechanized of the Parana crops is coffee, in whose cultivation, according to the technicians, modern methods are used 100 percent. However, the average rate of the utilization of technology in the agriculture of the state does not exceed 30 to 40 percent, they add.

Record Crops

Rio Grande do Sul also expects record crops of soybeans, wheat, rice and corn, which should have a total production of 11.6 million tons this year, recovering from the great damage of 1979, "the worst year for the agriculture of the state since 1950," according to Secretary of Agriculture Baltnazar de Bem e Canto.

According to the Secretariat, excessive rainfall, hail and insects caused a loss of 23.2 percent in agricultural production in Rio Grande do Sul in 1979, with losses estimated at 12 billion cruzeiros, causing the agricultural product to decline 15.8 percent with respect to the previous year.

Soybeans, corn, wheat, rice, potatoes, beans and onions are the main crops of Rio Grande do Sul, with the growing of the first four products occupying an area of nearly 8.62 million hectares in 1979. This year, however, that area should decrease to about 7.99 million hectares because of the negative occurrences of recent years.

Growth in Goias

Rice, corn, beans, soybeans, bananas, tomatoes and garlic are the main agricultural products of Goias, whose area under cultivation increased 20 percent and production 10 percent in the past 10 years.

The increase in the area cultivated, diversification of crops, great use of resources and mechanization contributed in recent years to the agricultural expansion of the state, whose territory is 68-percent covered by vegetation and scrublands. However, ICM collections from agriculture declined from 22.5 percent in 1977 to 18.4 percent in 1978.

Trends and Income

A slacking off in the growing of rice, the need to substantially increase the floor price of soybeans--in order to provide incentives for the growth of that crop in new producing regions such as the Center-West--and the need for a great effort to win back former coffee importers and the winning of new customers on the international market, are some of the goals considered necessary by the Agricultural Information Group of the Getulio Vargas Foundation for the 1979/80 harvest year.

With respect to the Center-South region, the Agricultural Economy Institute [IEA] of the Secretariat of Agriculture and Provisioning of Sao Paulo estimates that agricultural production in the 1978/79 harvest year reached the current value of 500 billion cruzeiros. The IEA 1979/1980 Forecast estimates that the physiographical regions of the Southeast, South and Centerwest will provide 50.3 percent, 38.4 percent and 11.4 percent, respectively, in the formation of the gross income for the agricultural sector of the Center-South.

Taking the overall value of the agricultural-livestock production of the Center-South into consideration, IEA estimates indicate that Sao Paulo contributes 22.7 percent; Parana, 17.4 percent; Minas Gerais, 16.6 percent; Rio Grande do Sul, 14.7 percent; Santa Catarina, 6.3 percent; Goias, 6 percent; Mato Grosso and Mato Grosso do Sul, 5.4 percent; Espirito Santo, 3 percent, and Rio de Janeiro 2.9 percent.

Imports Cost Country $1.6 Billion

Last year Brazil imported nearly $1.6 billion in food, according to the CFP. In 1979 alone, four million tons of wheat were imported at a cost

of around $600 million. This year, however, "prospects are better, since despite past failures, motivation for planting wheat remained alive among growers. A sign of that situation is the area planted for the 1979 crop, which increased by 38 percent compared to the 1978 crop," says the Agricultural Information Group of the Getulio Vargas Foundation.

The exact amount of Brazilian wheat imports in 1979 was 3.78 million tons, costing $585 million, according to estimates of the CFP of the Ministry of Agriculture, which also estimated corn imports of 1.5 million tons at $240 million; 700,000 tons of rice at $230 million; 268,000 tons of soybeans at $71 million; 120,000 tons of soybean oil at $83.1 million; 90,000 tons of meat at $116.4 million, 12,000 tons of beans at $6 million, in addition to fruits and vegetables at a cost of $231 million, and 5,000 tons of milk, the equivalent of $6.4 million, which were traded for 8 tons of lard. [last figure as published, presumably means 800 tons of lard].

Rice

A study prepared by the Agricultural Information Group of the Getulio Vargas Foundation shows a reduction of 6.7 percent in the area planted in rice by comparison with the previous planting. Even so, this year's crop should be greater than that of last year, which was affected by weather problems and a lack of credit, technical help and research, all of which were concentrated on export products.

In Rio Grande do Sul, the study foresees a production of 2.01 million tons in a planted area of 575,000 hectares, which means a yield of 3,500 kilos per hectare. In the previous harvest, 1.7 million tons were harvested from an area of 525,000 hectares for a yield of 3,190 kilos per hectare. In the 314,000 hectares planted in Sao Paulo, a harvest of 373,500 tons is forecast, which represents an increase of 21.4 percent and 4 percent respectively compared to last year. With those results, rice will maintain a share of approximately 2 percent of the agricultural economy of the state.

In Minas Gerais, predicted production is 800,000 tons, although one million tons were produced 4 years ago. The study foresees an area planted in the state of Goaias of 1.18 million hectares with a production of one million tons, a yield of 843 kilos per hectare.

Beans

Because of a lack of official support, from 1956 to 1977 yields in bean crops declined one percent per year, according to a study by the Getulio Vargas Foundation. Drought and rain damaged the wet season crop of 1979, and for the "little harvest" to be collected in the first half of the year, an increase of 5 percent with respect to last year's harvest is foreseen. Generally, the forecasts for this year are not optimistic.

In Rio Grande do Sul, the 1979 "little harvest" collected in April-May, showed a reduction in the area cultivated of 27 percent, but it increased 103 percent in terms of productivity. The wet season crop, which is now being harvested, occupies 160,000 hectares (12 percent more than last year) and a harvest of 80,000 tons is predicted, with a loss of 50 percent due to excessive rain.

The greatest national producer, Parana had a loss of 190,000 tons in its wet season crop, which will probably force Brazil to import beans this year to satisfy the domestic market. Total production for the state in 1980 is forecast at 495,000 tons. Minas Gerais production should reach 300,000 tons, compared to 210,800 tons last year. In Sao Paulo, the Secretariat of Agriculture predicts a harvest of 154,200 tons for the wet season crop planted in 196,100 hectares, 31.9 percent more than the 1979 crop.

Soybeans

The raising of the floor price for soybeans, according to the Getulio Vargas Foundation, was responsible for the increase in the area planted, primarily in Goias and Mato Grosso. In the Center-South, competing crops and weather problems precluded an increase in the area planted. The study foresees a national production of 13.5 million tons for the 1970/80 crop, compared to 11 million produced in 1978/79, which will allow the exporting of approximately 3.5 million tons.

With only 300,000 tons annually at the beginning of the decade of the 70's, last year Parana reached a production of 4 million tons and this year could obtain 5.22 million tons, which will represent 39 percent of the total forecast for the country.

The last two crop failures resulting from bad weather conditions were responsible for the 4-percent reduction in the area planted in Rio Grande do Sul. Other factors such as more profitable alternatives, such as corn, also influenced that decline. Even so, the Getulio Vargas Foundation admits a record in Rio Grande do Sul production. The area planted, according to FECOTRIGO [Federation of Brazilian Wheat and Soybean Cooperatives], should range around 3.9 million hectares with a predicted harvest of 6.4 million tons.

In the other producing states, forecasts are as follows: Goias, 400,000 tons from an area planted of 328,232 hectares; Sao Paulo, 969,100 tons, 14.2 percent more than the previous harvest, from an area of 561,200 hectares, which is 4.7 percent more than the area planted last year, according to forecasts by the Secretariat of Agriculture.

Wheat

According to the Agricultural Information Group, Brazil should import wheat this year in smaller amounts than in 1979--nearly 4 million tons as a result of subsidies to the crop, which last year occupied 4 million hectares, 38 percent more than in 1978.

For the first time, despite the July frosts, Parana was the largest wheat producer in 1979. The Secretariat of Agriculture estimates that the harvest could be 2.2 million tons, one-third of Brazilian needs. In Rio Grande do Sul, its estimates indicate a production of 1.35 million tons in an area planted of 1.5 million hectares, a yield of 900 kilos per hectare.

Corn

The establishment of renumerative prices in 1979, which resulted in an increase of 71.7 percent with respect to the previous crop, leads to the belief that there will be an increase of 3.5 percent in the area planted for the 1979/80 crop and that national production will slightly exceed the barrier of 20 million tons. The estimate for Sao Paulo is for a production of 2,376,400 tons, 4.4 percent more than the previous year, from a planted area of 1,092,800 hectares, 3.6 percent more than in 1979. In Minas Gerais, according to the Secretariat of Agriculture, if rains do not last too long and if they are not too heavy, a record production of 2.8 million tons is expected. Rio Grande do Sul production should be practically the same as that of Minas Gerais.

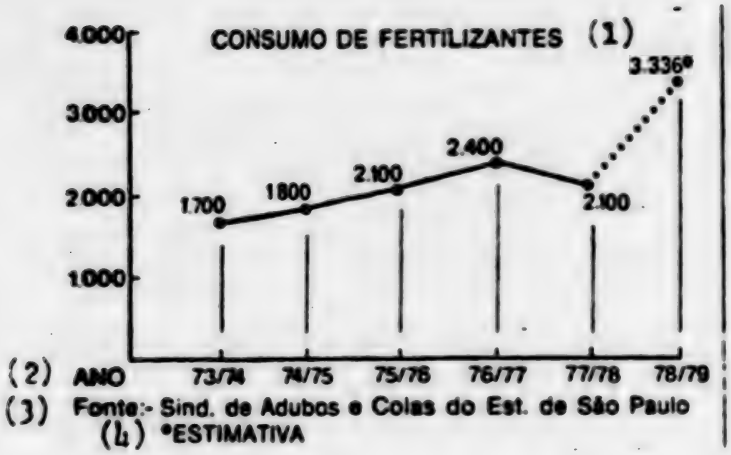
Coffee

According to the Getulio Vargas Foundation, the 1979/80 agricultural year should show a harvest of 19.5 million sacks, which will make the exportable surplus 800,000 sacks more than that of the previous harvest. According to growers, problems of economic policy in Parana such as prices and taxes prevented the harvest from reaching 8 to 10 million sacks, remaining at around 3.5 million sacks. The IBC [Brazilian Coffee Institute], however, estimates it at 4.6 million sacks. The difference in figures resides in the fact that the growers assert that there are between 600 and 650 million coffee trees in the state, while the authorities say there are 900 million.

Nearly 8.5 million sacks should be collected in Sao Paulo and nearly 7 million in Minas Gerais.

Note

This article was written on the basis of investigations made by O ESTADO DE SAO PAULO branch offices and correspondents.



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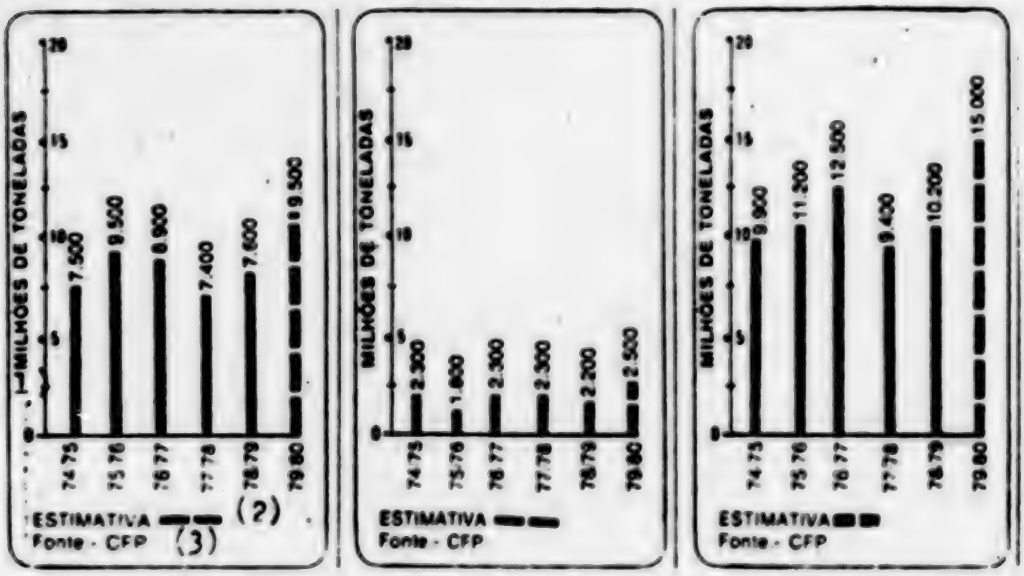
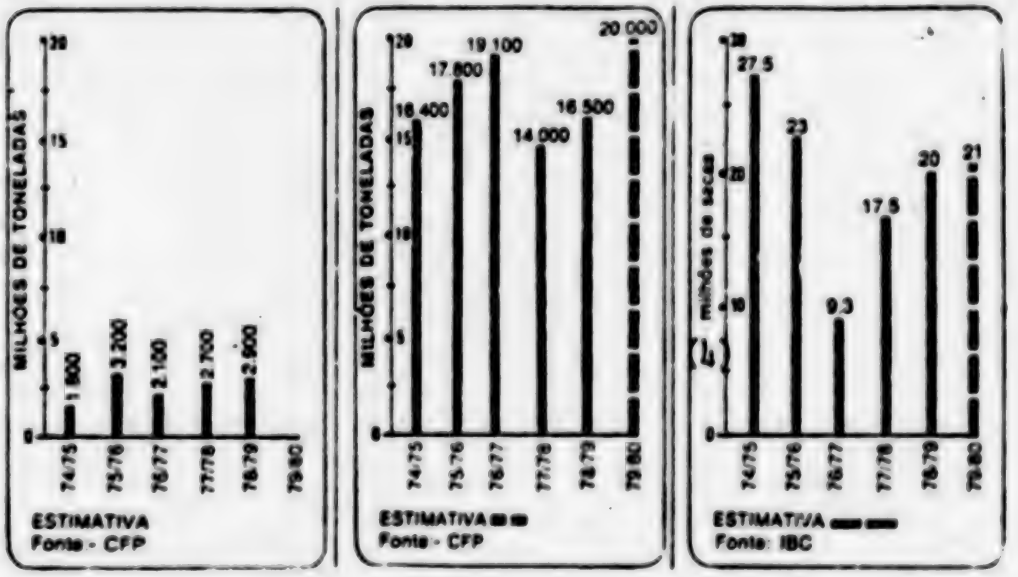


Rice Beans Soybeans



Wheat Corn Coffee

Key:

1. Millions of tons
2. Estimated
3. Source: CFP
4. Millions of sacks

8908
CSO: 3001

'AFP' COMMENTS ON RECENT 'REVOLUTIONARY' CHANGES IN NATION

PA261454 Paris AFP in English 0723 GMT 26 Jan 80 PA

[Report by Jacques Thomet]

[Text] Havana, 26 Jan (AFP)--In this 21st year of Fidel Castro, Cuba is undergoing revolutionary changes that may surpass in importance any developments since the Cuban revolution itself.

The last few months have seen the most sweeping ministerial reshuffle since 1959, economic disasters caused by blights on the sugarcane and tobacco crops, a police crackdown on black market dealings and popular discontent with the export-oriented economic policy that necessitates rationing within Cuba.

The same period has also seen the ascension of President Castro to the leadership of the bloc of non-aligned nations--an indisputable triumph for the man who, despite an economic blockade maintained by the United States for nearly 20 years, has turned this nation of 9 million people into an international force in the civil, military and political arenas.

Every day, Cuban workers are called by their leaders to redouble their efforts to face the contingencies of 1980, which has been officially dubbed "difficult" economically. At the same time, Cuba continues its external strategy of intensive aid to what it considers brother countries.

Spearheading the international effort are, of course, the thousands of Cuban soldiers in faraway countries like Ethiopia and Angola.

But there are also the 2,000 Cuban doctors posted to more than 20 countries, and the 1,200 teachers who have gone for two-year stints to teach Nicaraguans in the most remote areas to read and write. Then there are the masons who work in other countries, all the while knowing that in Cuba, building construction will be completely halted this year because import costs of certain materials have become prohibitive.

Despite Western charges of "African adventurism," Cuba's effort was crowned when President Castro became the official leader of the Third World last September. He was named to a three-year term as chairman of the 95 non-aligned countries at the movement's sixth summit in Havana.

In a recent speech at the inauguration of the country's second-largest textile factory at Santa Clara, President Castro urged Cuba's own workers to show the same efficiency and enthusiasm as Cuban civilian aid workers abroad.

His address followed the string of remonstrances issued at the end of 1979 by his brother, Raul, armed forces minister and number two man in the government, on the "deficiencies of socialism."

The announcement this month that Cuba's cigar factories were closing because the "moho azul"--blue mold--tobacco disease had hit more than 90 percent of the plantations came hard on the heels of the threat of "roya" [sugarcane rust] plague on sugarcane. Cuba was the world's top cane producer in 1979 with a harvest of nearly 8 million tons.

These natural disasters came as the authorities were denouncing all sorts of human error--laxness, indiscipline, labor problems, unresponsive bureaucracy--in transport, in the hotel business, in industry and in agriculture.

Official reports show that the average working day of salaried agricultural employees varies between 4 and 6 hours. Productivity increased by only 0.8 percent in 1979 instead of by the expected four percent. Certain state farms have more white-collar workers than manual laborers.

These revelations bolster the desire of the Cuban leaders not to rest on the gains of 20 years of revolution, marked by success in the eradication of illiteracy, the establishment of free medical care for all Cubans and reduction of the infant mortality rate.

But Cuba continues to count on the economic support of the Soviet Union and the socialist camp, since the rupture of all economic ties with the United States, and President Castro is visibly angry with the pace of progress.

He exploded last July during a speech to the National Assembly, shouting out that Cuba was "lazy," and wondering whether the nation "really had a revolutionary spirit."

The general belief is that this national mood of "letting things slide" will only be exacerbated by the return of Cuban emigrants who for a year now have been allowed to visit their families in Cuba. This concession was granted by President Castro when he freed 3,600 political prisoners.

Arrivals from among 100,000 relatives, cousins and friends who in many cases have become rich in the United States have whetted the consumer instinct in a country that was already familiar with American gadgets in 1959, but which 20 years later depends on ration cards for basic food items. This situation exists because Cuba is trying to maximize its exports, called by President Castro a source of indispensable revenue for an underdeveloped nation.

A certain tension has grown up as a result, especially in the cities. In the last half of 1979, there occurred a series of attempts by Cubans to take refuge--at the peril of their lives--in foreign embassies in order to leave the country for asylum overseas. At the same time, there has been a spectacular increase in crime and an appearance in certain neighborhoods of tracts hostile to the government.

The first reaction of the authorities to this came in December with the naming of Ramiro Valdes as interior minister--an old Castro companion in arms considered a "hardliner."

Meanwhile, police made between 2,000 and 3,000 arrests during a campaign against black market dealing in gasoline coupons. At the same time local revolutionary defense committees were mobilized for the "battle against the enemy."

The important government reshuffle of January 10 came next, putting most cabinet powers into the hands of President Castro's old allies from the Sierra Maestra guerrilla days. The president's own authority was confirmed when he was given four ministries to supervise--interior, army, culture and health--and Raul Castro remained as his brother's right hand.

This stiffening of the government was followed by an appeal to the Cuban press to be more aggressive in seeking out and criticizing inefficiency and malfeasance. Finally, this week, the Cuban Communist Party replaced its executive secretaries in three provinces, and party members say more changes within the organization are expected in the weeks to come.

CSO: 3020

COMMENTARY STRESSES INTERNATIONALIST AID TO NICARAGUA

PA2?0313 Havana International Service in Spanish 2310 GMT 28 Jan 80 PA

["Our America" commentary]

[Text] The Cuban teachers of the Augusto Cesar Sandino Internationalist Contingent are conducting classes in the most remote corners of Nicaragua, sometimes even outdoors, because of the lack of school buildings. The contingent consists of 1,200 teachers who are working in Nicaraguan rural areas which were completely abandoned during the Somoza tyranny.

Essentially internationalist, the Cuban revolution could not be absent from the great effort being undertaken by the Nicaraguan people to rebuild the country and overcome the devastation caused by the terror, crimes and corruption of the Somozist clan. Besides the teachers, hundreds of doctors are working in almost all of Nicaragua's departments. Cuba's cooperation with that sister Central American country also includes now or in the near future the areas of fishing, construction, maritime transportation, poultry and forest development, sports, publishing, communications, culture and pharmaceutical industry.

Nicaraguan Health Minister Cesar Amador Kuhl has reported that Cuba has offered to sell medicines at just and favorable prices and to supply raw materials and technical advice for the manufacture of pharmaceutical products in that Central American country which is already a victim of a blockade in this field imposed by the U.S. consortiums.

The Cuban doctors, teachers and other technicians who are carrying out their internationalist work in Nicaragua have immediately won the affection and the admiration of the sister country. Our technicians and experts share with the Nicaraguans the difficult tasks of national reconstruction. Commander of the Sandinist Revolution Bayardo Arce has stressed that with great enthusiasm and conviction, the Cuban teachers conduct classes in the most remote communities, living in the same conditions of those who they come to teach, without comforts or privileges. Bruno Gallardo, president of the National Association of

Nicaraguan Teachers, has stressed that the Nicaraguan teachers and the people in general admire the example set by the Cubans because of their unlimited dedication to teaching the children of Sandino's fatherland.

The Cuban teachers also participate alongside the Nicaraguan people in other social tasks of the communities, such as the construction of schools and hospitals. They have also expressed willingness to actively participate in the great national literacy campaign which will begin in March.

The Nicaraguan authorities' view of the work carried out by the Cuban teachers and doctors shows the effectiveness and dedication of those internationalist professionals. The cooperation of the Cuban teachers has permitted the opening of 620 classrooms and the incorporation of 50,000 children into the educational system who otherwise would have continued completely ignorant.

The presence of the doctors has made it possible to extend health services to the most remote areas of the country and the mass vaccination of children against poliomyelitis and measles. It must also be stressed that in only their first 3 months in Nicaragua the Cuban doctors attended 225,000 outpatients, 8,000 hospitalized patients, 1,800 births and 1,700 operations.

Much more can be said about the fraternal and disinterested Cuban aid to Nicaragua. This cooperation is completely subordinated to the interests and plans of the Nicaraguan National Reconstruction Government. Sandinist leader William Vigil recently stressed that Cuba was the first country to respond to the call for help for Nicaragua's reconstruction. He noted that Cuba's important and greatly appreciated aid is given without any type of conditions.

CSO: 3010

VISITING DOMINICAN LEGISLATORS' ACTIVITIES REPORTED

Santiago People's Government Visited

FL221416 Havana Domestic Service in Spanish 1100 GMT 22 Jan 80 FL

[Text] The members of the People's Government Executive Committee in Santiago de Cuba have held an exchange of experiences and views with a delegation of deputies and senators of the Dominican Republic, which is headed by Juan Peralta Perez, president of that country's Senate. The visitors learned about the system of selecting delegates from the rank and file level to the highest level, the National Assembly and other hierarchy. The development plan of the Santiago region and budgets and methods to approve them were also explained to the Dominican senators and deputies, who toured various historic places and placed a floral wreath at the foot of the Jose Marti Mausoleum at the Ifigenia Cemetery.

Received at Foreign Ministry

FL230154 Havana Domestic Television Service in Spanish 0100 GMT 23 Jan 80 FL

[Text] The delegation of senators and deputies of the Dominican Republic that is visiting our country and is led by Senate President Rafael Peralta Perez of the Reformist Party, this afternoon was received at the Foreign Ministry by Vice Foreign Minister Jose Raul Viera.

During the meeting, Viera expressed the ministry's satisfaction for the visit which offers an opportunity to expand existing contacts between the two governments and makes it possible to maintain relations with the entire world and not just part of it.

The delegation is visiting our country in response to an invitation of the People's Government National Assembly. In the past few days it has toured much of the island seeing firsthand our achievements, people and system of government.

Havana Psychiatric Hospital Visit

FL230158 Havana Domestic Television Service in Spanish 0100 GMT 23 Jan 80 FL

[Text] The delegation of Dominican legislators this morning visited the Havana Psychiatric Hospital where they were received by Bernabe Ordaz, director of the hospital and deputy to the People's Government National Assembly.

The delegation is composed of 20 legislators of various parties in the Congress of the Caribbean country.

Ordaz explained to the visitors the poor condition of the hospital at the triumph of the revolution and the progress made over the past 20 years. He pointed out that so far more than 50,000 patients have been treated at the psychiatric hospital.

After the briefing, the Dominican legislators toured a men's ward and women's ward and other hospital installations.

ICAP Reception

FL241554 Havana Domestic Service in Spanish 1500 GMT 24 Jan 80 FL

[Text] The Cuban Institute of Friendship With the Peoples [ICAP] last night hosted a reception for the delegation of members of the Dominican Parliament headed by Senator Juan Rafael Peralta Perez, president of the Senate and leader of the Dominican Reformist Party. Fernando Vecino Alegret, member of the PCC Central Committee and minister of higher education, and ICAP Vice President Jorge Gallardo attended the reception.

Gallardo gave the reception on behalf of the ICAP and Senator Peralta expressed gratitude for it on behalf of those accompanying him. Deputy Emilda Polanco gave Vecino Alegret a document with a portion of the inscription on the plate on the facade of the House of Santo Domingo in the Dominican Republic, where Jose Marti and Maximo Gomez signed the Monte Cristi Manifesto on 25 March 1895.

Vecino Alegret Meeting

FL242250 Havana Domestic Service in Spanish 2230 GMT 24 Jan 80 FL

[Text] Fernando Vecino Alegret, member of the PCC Central Committee and minister of higher education, this morning held a meeting with the delegation of legislators from the Dominican Republic led by Juan Rafael Peralta, president of the Senate and a leader of the Reformist Party of that country.

Omar Cordoba, official of the America Department of the party Central Committee, and Rafael Hernandez, deputy director of international relations of the National People's Government Assembly, participated in the meeting.

At the meeting, Vecino Alegret explained the development of higher education in our country and answered the questions made by the legislators.

CSO: 3010

NETHERLANDS CP DELEGATION VISIT REPORTED

Communique Issued

PA211947 Havana International Service in Spanish 1600 GMT 21 Jan 80 PA

[Text] The newspaper GRANMA today published the press communique issued in Havana on occasion of the visit of a delegation of the Netherlands Communist Party headed by its president, Henk Hoekstra, who held a fraternal meeting with Fidel Castro, first secretary of the Communist Party of Cuba [PCC].

The document stressed the constant struggle of the Netherlands Communist Party since it was founded 61 years ago as well as its opposition to plans to deploy nuclear missiles in the Netherlands. It also highlighted the successes of the Cuban revolution in the construction of socialism and Cuba's prestige in the international sphere because of the solidarity it has shown.

The representatives of the PCC and the Netherlands Communist Party also reiterated their firm support of the struggle for peace and detente and expressed their solidarity with the national liberation movements and the struggle against oppression.

Meeting With Fidel Castro

FL211841 Havana Domestic Television Service in Spanish 1800 GMT 21 Jan 80 FL

[Text] At the invitation of the PCC Central Committee Henk Hoekstra, president of the Communist Party of the Netherlands, and Jan de Boo, party secretary for international relations, have visited our country. Our commander in chief and first party secretary, Fidel Castro, held a fraternal meeting with the delegation.

During the talks the two organizations agreed on the need for struggling against the recent increase in the arms race, which is being stepped up by the United States and its NATO allies with the decision of producing and deploying new nuclear missiles in Europe. They also noted the

importance of the success of the Sixth Nonalined Countries Movement Summit Conference and the election of Fidel Castro as the movement's chairman. The two parties pointed out the need for an aid program for underdeveloped countries. In this regard, the Communist Party of the Netherlands expressed support for the proposal formulated by Fidel at the United Nations aimed at devoting not less than $300 billion for the development of those nations.

CSO: 3010

MEXICAN LABOR SECRETARY ON COURTESY VISIT

Visits State Committee

FL212147 Havana Domestic Service in Spanish 2135 GMT 21 Jan 80 FL

[Text] Lic Pedro Ojeda Paullada, Mexico's secretary of labor, today visited the State Committee for Labor and Social Security where he was accorded a cordial welcome.

On his visit to the headquarters of the State Committee for Labor and Social Security, Ojeda Paullada was received by its Minister-President Joaquin Benavides, Vice President Hector Martinez and other officials. A meeting was then held during which he was briefed on the structure of the State Committee for Labor and Social Security and views were exchanged on labor matters.

Mexican Labor Secretary Pedro Ojeda Paullada heads a delegation of the fraternal country which arrived in Cuba yesterday at the invitation of the Revolutionary Government.

Espin Receives Delegation

FL230021 Havana Domestic Service in Spanish 0000 GMT 23 Jan 80 FL

[Text] Vilma Espin, member of the party Central Committee and president of the Federation of Cuban Women (FMC), has received at FMC headquarters the courtesy visit of a Mexican delegation led by Labor Secretary Pedro Ojeda Paullada who is traveling with his wife and son.

The delegation includes (Margarita Diegues), director of international affairs; Lic (Horacio Estadillo Laguna), director general of information; Dr (Guido Belzaso), director general of the National Labor Studies Institute; Lic (Alan Ibarra Silva), private secretary of Ojeda Paullada; and Lic (Antonio Maldonado), chief of international technical cooperation of the Labor Secretariat.

CSO: 3010

SPANISH DELEGATION ARRIVES TO SIGN 1980 FINANCIAL PROTOCOL

Foreign Bank of Spain Delegation

FL220147 Havana Domestic Television Service in Spanish 0100 GMT 22 Jan 80 FL

[Text] A delegation of the Foreign Bank of Spain led by Messrs (Fermin Selada de Andres Moreno), president of that bank, and (Rafael Martinez Cortinas), counsellor-delegate, [as heard] arrived in our country late this afternoon. During its visit, the Spanish delegation will sign a new financial protocol for 1980 for the sum of 150 million Canadian dollars to finance 85 percent of the value of contracts for complete plants, ships and equipment which Cuban enterprises can acquire in Spain.

While in our country, the delegation will hold meetings with leaders of our government. The visitors were received by Comrade Julio Imperatori, vice president of the Cuban National Bank; Manuel Ortiz, Spanish ambassador to our country; and other officials.

Signing in Havana

FL222017 Havana Domestic Service in Spanish 1917 GMT 22 Jan 80 FL

[Text] The signing of a financing protocol for 150 million Canadian dollars between the Foreign Bank of Spain and National Bank of Cuba took place today at the headquarters of the Cuban bank in Havana.

The signing of the document implements agreements reached in Havana last year during the Cuban-Spanish joint meeting. It will facilitate the financing of 85 percent of the value of complete plants, ships and equipment which Cuban enterprises can acquire from Spanish firms.

Protocols also were signed to permit continued financing for the re-exchange (recambio) of components and spare parts acquired by Cuba in Spain.

The protocols were signed for the Foreign Bank of Spain by (Fermin Selada de Andres Moreno), president of that bank; and signing for the National Bank of Cuba was Julio A. Imperatori, vice president of the bank.

We feel extremely gratified by the presence in Cuba of the Spanish delegation, Julio A. Imperatori declared upon welcoming the Spanish visitors, since the signing of the protocol ratifies the agreements of the Cuban-Spanish joint meeting. He emphasized the advantages of the protocol to finance re-exchange components and spare parts acquired in Spain and the strengthened trade relations with that country. (?He said) the signing of the three [as heard] documents represents the desire of both countries to continue their expanding economic relations and continue to seek to improve them.

Received by Carlos Rafael Rodriguez

FL231144 Havana Domestic Service in Spanish 1100 GMT 23 Jan 80 FL

[Excerpt] (Fermin Selada de Andres Moreno), president of the Foreign Bank of Spain, and Julio A. Imperatori, vice president of the National Bank of Cuba, have signed a protocol which materializes the agreements adopted in Havana last year during the Cuban-Spanish mixed commission meeting and which will permit the financing of 85 percent of the value of entire plants (plantas completas), vessels and equipment purchased by Cuban firms from foreign companies.

Two other protocols that were signed will allow Cuba to continue to finance components and spare parts for equipment acquired in Spain.

Subsequently, Mr (Fermin Selada) and Rafael Martinez Cortina, president and adviser, respectively, of the Foreign Bank of Spain, were received by Carlos Rafael Rodriguez, vice president of the Cuban Councils of State and Ministers. During the talks the two sides discussed matters of common interest.

Delegation Ends Visit

FL241609 Havana Domestic Service in Spanish 1500 GMT 24 Jan 80 FL

[Excerpts] (Fermin Selada de Andres Moreno), president of Spain's Foreign Bank, yesterday concluded his official visit to Cuba. Rafael Martinez Cortina, a bank adviser who was a member of the delegation, also departed.

Julio Imperatori, vice president of the National Bank of Cuba, and Raul Fernandez, the bank's director for international relations, saw them off at the Jose Marti International Airport. Jose Manuel Becerra, commercial attache of the Spanish Embassy in Cuba, and his wife Maria de los Angeles Becerra accompanied the departing delegation to the Havana air terminal.

CSO: 3010

RISQUET VISITS HOLGUIN CONSTRUCTION PROJECTS

FL252150 Havana Domestic Service in Spanish 2122 GMT 25 Jan 80 FL

[Text] Jorge Risquet, member of the party Central Committee Secretariat, has toured projects under construction and transportation centers in the city of Holguin.

At the Martires del 26 de Julio farm tools enterprise, Risquet was briefed on various construction aspects of that industry whose construction is 68 percent complete and assembly [as heard] 12 percent. The member of the party Secretariat was interested in learning the objective and subjective difficulties which might affect the construction timetable.

Jorge Risquet explained the strategy to be followed, which should be based on realistic and rational plans that can lead to completion of the project on schedule.

Risquet also visited the railway cargo transportation center where he asked about the mechanisms used in the transportation network in Holguin Province.

He also visited the urban bus terminal where he learned that 60 vehicles were put in operation, representing a noteworthy improvement of local service thanks to the efforts of the workers there.

Risquet then went to the bus rebuilding enterprise which last year achieved 103 percent completion of its technical-economic plan. He praised the effort of its workers.

Risquet, accompanied by Miguel Cano Blanco, member of the party Central Committee and party first secretary in Holguin, toured other projects and installations in that province.

CSO: 3010

HAVANA CITY PARTY COMMITTEE HOLDS PLENUM

FL281743 Havana Domestic Service in Spanish 1700 GMT 28 Jan 80 FL

[Text] The party provincial committee of Havana City has held its 12th plenum chaired by PCC Politburo member Jose Ramon Machado Ventura and Julio Camacho Aguilera, member of the party Secretariat and party first secretary in Havana City.

A rendering of accounts report of the party Executive Bureau for the period of September to October 1979 was examined at the meeting. The fulfillment of resolutions of the first party congress, which shows a favorable balance, the status of the water mains and sewage plan approved by the Politburo and a report on the degree of fulfillment of the principal activities undertaken by the urban bus transportation enterprise were also studied.

Speaking at the meeting, Julio Camacho Aguilera said there are positive trends for improved urban transportation as a result of measures adopted. Therefore, it is necessary, he emphasized, to continue increasing the quality of this service. He also referred to work being done in street repairs and to restore water, gas and electric services in a gradual effort to solve the problems that are affecting the people.

The plenum ratified the termination in their position of Raul Rodriguez Lopez and Antonio Argamasilla as second party secretary and coordinator of the Committees for the Defense of the Revolution in Havana City, respectively, who are transferred to party leadership positions in other provinces.

The work done by provincial control and auditing committee and approval of Jose Perez (Deseiro) as member of that committee and its executive bureau [as heard] were also discussed.

CSO: 3010

REPORTAGE ON JOSE MARTI BIRTH ANNIVERSARY CELEBRATIONS

Hart on Marti Thoughts

FL181249 Havana Domestic Service in Spanish 1145 GMT 18 Jan 80 FL

[Text] Armando Hart Davalos, member of the PCC Politburo and minister of culture, said in a speech at the inauguration of the First International Symposium on Marti that the scientific examination of Marti's thoughts will make it possible for us to confirm the universality of his ideas and to ratify their presentness. Hart congratulated the members of the Marti Study Center for the initiative of the symposium and warmly welcomed the participants who represent nine countries. The Casa de las Americas symposium's main topic is "Marti and the Revolutionary Democratic Thought."

Pioneers Parade in Havana

FL281116 Havana Domestic Service in Spanish 1100 GMT 28 Jan 80 FL

[Excerpt] Approximately 5,300 Pioneers of Havana paraded from Zulueta Street to Central Park on Sunday to mark the conclusion of the campaign honoring the 127th birth anniversary of national hero Jose Marti. The activity was presided over by Fernando Vecino Alegret, member of the PCC Central Committee and minister of higher education; (Orestes Yesper) and (Silvio Placencia), members of the Havana City party bureau; Juan Mock, member of the National Bureau of the Union of Young Communists and president of the Jose Marti Organization of Pioneers; and other officials.

Meanwhile, from various parts of the country have been reported parades of Pioneers marking the conclusion, at the provincial level, of the commemorative campaign on the occasion of the 127th birth anniversary of Jose Marti.

In Caracas, members of the Cuban community in Venezuela and of the Antonio Maceo Brigade celebrated the anniversary with various activities.

Castro Sends Floral Wreath

FL290017 Havana Domestic Service in Spanish 0000 GMT 29 Jan 80 FL

[Text] On behalf of Commander in Chief Fidel Castro, a floral wreath was laid today at Jose Marti's Mausoleum at the Santa Ifigenia Cemetery in Santiago de Cuba on the occasion of the 127th anniversary of the birthday of Cuba's national hero.

The Councils of State and Ministers as well as work and educational centers and military units also sent floral wreaths.

Marti Studies Seminar

FL290029 Havana Domestic Service in Spanish 0000 GMT 29 Jan 80 FL

[Text] After 4 days of work sessions the Ninth Youth Seminar of Marti Studies concluded today in Havana. In his closing remarks Fernando Vecino Alegret, member of the PCC Central Committee and minister of higher education, noted that these seminars are a beautiful tradition transformed into a mass movement. He termed the Marti studies a political and cultural movement and pointed out the participation of more than 78,000 youths and Pioneers at the rank and file level. Vecino Alegret added that still more should be studied about the life and work of Jose Marti and that we should use Marxist tools to understand his thought clearly. The higher education minister referred to the impact that Jose Marti's revolutionary thought has had and to the need for becoming increasingly more demanding with ourselves. Some 246 delegates participated in the seminar which functioned in seven working committees. Some 117 proposals were discussed and 56 of them were approved.

Vietnamese Honor Marti

FL291134 Havana Domestic Service in Spanish 1100 GMT 29 Jan 80 FL

[Text] The fact that the university carries the name of Jose Marti represents an incentive to make every effort to make it an outstanding socialist school and for professors, students and workers to devote themselves fully to this effort. Nghiem Xuan Yem, minister in charge of agricultural science and technology, has made this statement at the inauguration of the Jose Marti Agronomy University Number 1 of Hanoi on the occasion of the 127th anniversary of the birth of the Cuban hero and of giving the name of the great revolutionary to that higher education school.

The Vietnamese leader added that in order to achieve the objective of making it an exemplary school, it will be necessary for everyone to carry in his mind and heart the words of President Ho Chi Minh: Close unity, permanent effort, eternal progress.

Marti, Vietnamese Party Anniversaries

FL281123 Havana Domestic Service in Spanish 1100 GMT 28 Jan 80 FL

[Text] The 50th founding anniversary of the Communist Party of Vietnam and 127th birth anniversary of Jose Marti were celebrated yesterday with productive work in areas of the Valles de Picadura livestock breeding farm. The work was called Vietnamese Red Sunday.

Diplomatic representatives of Vietnam, Laos and Mongolia participated in the work there, while Kampuchean representatives worked at the Cuban-Kampuchean Friendship Association agricultural-livestock cooperative in Artemisa.

Following the productive work, a ceremony was held at the Victoria de Vietnam community of the livestock farm. (Trang Hu Sui), charge d'affaires of the fraternal Vietnamese diplomat, announced that in the commemoration today in his country of Jose Marti's 127th birth anniversary, the name of the Cuban national hero would be given to Agricultural-Livestock Institute Number 1.

CSO: 3010

FAR CONSTRUCTION WOMEN DISCUSS WORKER DISCIPLINE, EFFORT

Havana VERDE OLIVO in Spanish 6 Jan 80 p 54

[Text] (PEC)--The Second Meeting of the Women Construction Workers of the National Union of Civilian Workers of the Revolutionary Armed Forces [SNTCFAR] was held under the banner: "For the Strengthening of Worker Discipline and the Demanding of Efficiency in Union Leadership."

The sessions were held in the Central Directorate for Construction and Housing [DCCA]. The following persons were at the speaker's table: Julio Machado Tamayo, secretary-general of the SNTCFAR; Col Carlos Lahite Lahera, substitute for the Minister of the FAR for construction and housing; Antonio Hernandez, first secretary of the Union Sectional Committee; Lt Col Giraldo Thaureaux Armesto and other union leaders and FAR officials.

Idalia Almarales Venero, secretary for Labor and Social Affairs of the Union Sectional Committee of the National Union of FAR Civil Service Workers, read the Central Report.

Immediately thereafter, the rank-and-file delegates, representing the women construction workers of the various enterprises and offices of the DCCA elaborated on this report with many speeches.

This wide-ranging and deeply-critical report covered the establishment of suitable working conditions to ensure the participation of women in the labor process. According to the report, "No revolutionary should be indifferent to the seriousness of a woman's leaving her job, because of the damage this does to economic plans and the resulting harm to the revolutionary awareness of women and the people in general."

Living conditions was one report topic which led to speeches by several delegates. In this regard, the report stated that since 1978 there has been no specialized unit within the DCCA to handle this question. Then the report took up the following topics in succession: hygienic conditions, water supplies, transportation of personnel and health care. All of these questions were debated thoroughly.

Other subjects, such as social and labor affairs, among others, were covered by the delegates and guests at the meeting.

The forthrightness and profundity of the speeches was one of the most noteworthy aspects of the Second Meeting of the FAR Women Construction Workers.

The following agreements were reached during this meeting: the conducting of periodic analyses on living conditions which affect the perseverance and stability of women; the demand by the Women's Front organizations to the secretaries-general concerning the monthly, programmed discussion session [despacho] with management and the Party to analyze problems of working women; the study of the establishment and rehabilitation of Saturday study session [sabatinas] areas to put them in operating condition wherever required; authorization for women workers to be absent from work on shopping day, which the rank-and-file Women's Front will control but will hand over to management; improvement of the working conditions of women directly involved in production; an increase in the number of women in union leadership positions and on labor councils; enrollment of comrade women who have less than a sixth grade education in the next class; efforts to decrease absenteeism in all of its forms; and the strengthening of worker discipline.

8143
CSO: 3010

FAR ARMAMENTS SERVICE ANNIVERSARY MARKED

FL261907 Havana Domestic Service in Spanish 1800 GMT 26 Jan 80 FL

[Text] A ceremony has been held at the Main Club of the Revolutionary Armed Forces (FAR) to commemorate the 20th anniversary of the armaments specialty. The ceremony was chaired by Div Gen Abelardo Colome Ibarra, member of the party Central Committee and vice minister of the FAR.

Brig Gen (Roberto Milian Vega) made the closing remarks and Col Gustavo Chui Beltran read a congratulatory message from the FAR minister in recognition of the efforts made by armaments specialists and work done over the past 20 years. Greetings from Soviet military specialists who work in our country also were heard during the ceremony and certificates were presented to several founders of the specialty.

Brig Gen (Roberto Milian Vega) stressed in his closing remarks the tenacious and unselfish effort of the comrades who founded the armaments branch and the role played by that specialty during the most crucial and decisive moments of the revolution.

He also referred to the difficulties and limitations in the complete performance of this specialty in the 1960's decade, saying that all obstacles were surpassed and today the work done by all the armaments technicians, specialists and personnel can be classified as satisfactory.

He pointed out that better results will be obtained in that specialty in coming years when all the industrial capacities are in full production and the production of spare parts and reconstruction of units and accessories are consolidated. Lastly, he said:

[Begin (Milian) recording] The successes attained are closely linked to the advice and valuable observations of the Soviet military specialists who have been with us running the same risks at times of danger and enjoying our joys as if they were their own. Special congratulations go to them on this day of revolutionary joy. Finally, on behalf of the minister of the FAR and of the FAR Central Political

Directorate, I wish to congratulate all the armaments specialists on this 20th anniversary of the armaments service. [shouts of Hurrah!] Long live the Communist Party of Cuba. [shouts of Hurrah'] Long live our Commander in Chief Fidel Castro. [shouts of Hurrah'] [end recording]

CSO: 3010

TOBACCO, SUGAR CROPS DISEASED; CIGAR FACTORIES CLOSE

PA181320 Paris AFP in English 1211 GMT 18 Jan 80 PA

[Report by Jacques Thomet]

[Text] Havana, 18 Jan (AFP)--There will be no Havanas in Havana until next July and Fidel Castro cannot have his favourite brand because the factories will be shut down for six months. A blue fungus by the name of moho azul [blue mold] has hit the plantations and the factories are no longer hand-rolling Romeo and Juliet, Partagas, H. Upman and Heroes del Moncada cigars. President Castro's favourite Cohiba cigars are no longer being produced and the Corona factory will shortly close down.

So far, foreign orders placed in 1979 have all been honoured. Cigarettes, however, are still available.

All efforts to beat the epidemic have so far met with failure. The blue mold disease spread through many plantations last year, and in July Cubans were rationed to one cigar a week for a while.

The closures in the first half of this year are a major worry for officials in charge of the country's export trade. Havana cigars are a big foreign currency earner for Cuba, although the detailed effects of the stoppage are difficult to calculate.

Cuba seems to be going through a phase of bad luck, since sugar has also been hit by disease. A roya [sugarcane rust] epidemic has spread during recent months, endangering this key crop in the nation's economy. Cuba, the world's top [cane] sugar producer, had a 7,992,000 ton harvest last year.

CSO: 3020

BRIEFS

HOLGUIN SUGAR HARVEST--Miguel Cano Blanco, member of the PCC Central Committee and party first secretary in Holguin Province, has asserted at the Frank Pais sugar mill that making up for the shortfall of 37,000 metric tons of sugar and fulfillment of the technical and economic plan for Holguin depend on the success of the present production drive of 90 decisive days. The party leader was summarizing a plenary meeting on the beginning of the sugar harvest at the Frank Pais sugar mill, the only one in Holguin Province that has not begun grinding operations. It will do so on 29 January. Cano Blanco noted that grinding rate has been 87 percent of potential capacity ever since the production offensive began on 15 January. This is a noteworthy increase over the first 10 days of the month. [FL240031 Havana Domestic Service in Spanish 0000 GMT 24 Jan 80 FL]

SUGARCANE PLANTING--Rene Penalver, secretary general of the Livestock and Agricultural Workers Trade Union, has exhorted the sector's workers who prepare the soil to decisively undertake the task of planting sugarcane scheduled until 30 April and after that the great May campaign. He said that the number of caballerias to be planted is much greater than last year's which is why they must give their best effort, working day and night in order to fulfill the ambitious goal. The labor leader said that numerous rank and file assembly meetings are being held to this end to guarantee not only volume but quality. [Text] [FL241122 Havana Domestic Service in Spanish 1100 GMT 24 Jan 80 FL]

CIENFUEGOS SUGAR HARVEST--Humberto Miguel Fernandez, party first secretary in Cienfuegos Province, has urged high and stable sugarcane grinding every day, increased productivity of canecutters and combines, better utilization of the work day, canecutting with the same enthusiasm on Sundays and improved industrial efficiency. In summarizing a sugar harvest review meeting held in Cienfuegos, Fernandez also stressed that canecutting and grinding rates must be maintained as well as the double canecutting shifts with the sugarcane combines. [FL250057 Havana Domestic Service in Spanish 0000 GMT 25 Jan 80 FL]

CAMAGUEY HARVEST WORK--Edison Velasquez, vice minister of the sugar industry, has asserted that Camaguey Province is capable of being among the country's best in the sugar harvest. Velasquez spoke at a meeting held in the city of Camaguey to examine the status of each sugar mill in that province. The sugar industry vice minister said sugar yield and quality have been the best indicators in Camaguey Province in the current sugar harvest. [FL250057 Havana Domestic Service in Spanish 0000 GMT 25 Jan 80 FL]

IRAQI FINANCIAL DONATION--Iraqi Ambassador to Cuba (Archad Afuit Shmail) has symbolically [as heard] delivered to Foreign Trade Minister Ricardo Cabrizas the third part of the donation made to our country by Iraqi President Saddam Husayn amounting to 10 million pesos. This assistance of the Iraqi Government was made when the authorities of that nation learned of the damage caused by Hurricane Frederic. In making the symbolic presentation to Cuba, (Archad Afuit) said the two countries are on the same line of fire against their enemies--imperialism, Zionism and racism--and that they are members of the nonalined countries movement; therefore, it is natural to share difficulties. [Havana Domestic Service in Spanish at 1700 GMT on 28 January identifies the delivery as "a shipment of 2,700 metric tons of food and medicine valued at $3 million received in the port of Havana as part of the $10-million offer made by the Iraqi Government to the Cuban Government."] [Text] [FL281328 Havana Domestic Service in Spanish 1200 GMT 28 Jan 80 FL]

HOLGUIN PARTY MEETING--Commander of the Revolution Juan Almeida, member of the party Politburo and vice president of the Council of State, has participated in a special provincial party committee meeting in Holguin. The fulfillment of agreements and resolutions of the first congress of our maximum political organization was examined at the meeting. Miguel Cano Blanco, member of the party Central Committee and party first secretary in Holguin, explained that there has been improvement in the sugar harvest as a result of the campaign called 90 by 90 by 85 which stands for 90 days with 90 percent more of potential [presumably production] capacity and 85 percent of purity in the juices. Cano Blanco referred to the low rates of infant mortality achieved in 1979 in Holguin. Regarding nickel, he called for producing the figures contained in the 1980 technical and economic plan. [Text] [FL281314 Havana Domestic Service in Spanish 1200 GMT 28 Jan 80 FL]

LAS TUNAS PARTY PLENUM--The eighth plenum of the Las Tunas provincial party committee has issued an appeal to the territory's population urging them to make every effort to step up the work in the current harvest, which after 70 days shows that the sugar production plan is short by some 41,000 metric tons. The plenum of Las Tunas communists, chaired by PCC Secretariat member Jorge Risquet, outlined the measures that must be adopted immediately to overcome the harvest's setbacks. Las Tunas' provincial party committee appealed to all workers to raise the level of grinding at sugar mills by more than 85 percent, to improve

industrial efficiency and to diminish fuel consumption, breakdowns and operational interruptions at sugar mills as well as maintain good sugar quality. In the case of the sugarcane agricultural workers, the appeal of Las Tunas communists urges completion of recruitment of all brigades and improving the working conditions in the canefields, attendance and productivity. [Text] [FL290152 Havana Domestic Service in Spanish 0000 GMT 29 Jan 80 FL]

SANTIAGO DE CUBA PARTY PLENUM--The 15th plenum of Santiago de Cuba's provincial party committee was held in that city, chaired by PCC Central Committee Secretariat member Antonio Perez Herrero. During the meeting the participants conducted a critical evaluation of the state of fulfillment of the agreements of the first party congress and the delays in fulfilling some tasks were examined. It was agreed that the level of rigor and scrupulousness must be raised in accordance with the high objectives of the organs of the party, state, Union of Young Communists and mass organizations. Jose Ramon Balaguer, member of the PCC Central Committee and first party secretary in Santiago Province, stressed the need for overcoming the difficulties being confronted and working harder to fulfill the proposed plans for economic, political and social development in the last year of the 5-year period. [Text] [FL290053 Havana Domestic Service in Spanish 0000 GMT 29 Jan 80 FL]

HYDRAULIC RESOURCES MEETING--After 4 days of work sessions at the Santa Lucia Beach, located north of Camaguey, the national meeting of the Hydraulic Resources Administration of the Institute of Hydroeconomics concluded yesterday. The reports submitted by various provincial departments offer a positive picture of the front in the year as a result of a correct organization of work and greater experience of the leadership cadres. Another report explained the methodology being used in all provinces for a better control in the use of water through the central planning board. The meeting also discussed the regulations needed to control the use of water. [Text] [FL211331 Havana Domestic Service in Spanish 1200 GMT 21 Jan 80 FL]

MILIAN AT COOPERATIVE--Arnaldo Milian Castro, member of the party Politburo and minister of agriculture, has visited the Julio Antonio Mella agricultural cooperative located in the world's most beautiful natural valley--Vinales. During his visit to the Pinar del Rio Province municipality, the agriculture minister was interested in the status of the current tobacco harvest. He proposed that starchy vegetables and other crops be planted on the land which from now on will not be used for tobacco. Milian was accompanied on his tour of Vinales by Carol Miranda, second secretary of the party provincial committee. [Text] [FL230138 Havana Domestic Television Service in Spanish 0100 GMT 23 Jan 80 FL]

HOLGUIN SHIPBUILDING--A total of 239 vessels have been built for the Cuban fishing fleet at the Alcides Pino shipbuilding enterprise--the only one of its type in Holguin Province--since its founding in April 1959. The enterprise built 33 ferroconcrete ships in 1979, one more than planned. [Havana Domestic Service in Spanish 0000 GMT 24 Jan 80 FL]

EDUCATION EFFORTS--Rosario Fernandez, alternate member of the PCC Central Committee and secretary for education of the Central Organization of Cuban Workers, has called for an intensification of efforts so that Matanzas Province and the country in general may gain the battle for a sixth grade education in 1980 as well as fulfill the pledges that have been made. She added that it is necessary to outline an adequate union and territorial strategy to take advantage of all available resources and make sure that for every worker who is apt but does not have a sixth grade education there is at least one worker directly responsible for helping and stimulating him to gain that goal. The labor leader made the closing remarks at the plenum on goals for incorporation into school, retention and promotion in sixth and ninth grades and support activities being conducted by mass organizations and state agencies. [Text] [Havana Domestic Service in Spanish 1100 GMT 24 Jan 80 FL]

RAILROAD WORKER DISCIPLINE--A critical meeting aimed at adopting practical and urgent measures to overcome the serious disciplinary problems prevailing in the railroads, particularly in the western division, was held last night in Havana City. In a report read at the meeting the inadequacies in training and requalifying workers were criticized because they affect the fulfillment of duties. In a speech at the plenum Commander of the Revolution Guillermo Garcia, member of the PCC Politburo and minister of transportation, referred to the defects of current labor legislation which, he said, is not in agreement with new requirements and permits the durability in work centers of antisocial elements. Likewise, he referred to the disciplinary regulations being prepared for implementation in the railroads which, he asserted, will definitely eradicate all labor problems in the sector. During the meeting it was announced that out of 1,700 workers in the sector, 1,683 cases of indiscipline were referred to labor councils last year. Of these, 883 were cases of unjustified absence and 480 for unfulfillment of work schedule. [Text] [FL241424 Havana Domestic Service in Spanish 1200 GMT 24 Jan 80 FL]

FIGHT AGAINST NEGLIGENCE--Roberto Veiga, member of the party Central Committee and secretary general of the Central Organization of Cuban Trade Unions (CTC), has spoken at the national main event marking the day of food industry workers. The activity was held at the Lazaro Pena auditorium in Havana. Veiga urged the trade unions to continue the fight against everything that is poorly done and negligent attitudes and to promote an enthusiastic and revolutionary atmosphere at all work places so as to make the irresponsible conduct of bad workers untenable.

Jose de Jesus Linares, secretary general of the Union of Food Industry Workers, also spoke. He read a message sent by the CTC to all food industry workers. The motto featured at the activity: On the Front Line Against Sloppy Work and Lack of Firmness. [Excerpt] [FL260020 Havana Domestic Service in Spanish 0000 GMT 26 Jan 80 FL]

USSR CINEMA INDUSTRY COOPERATION--A movie industry cooperation protocol between Cuba and the Soviet Union for the current year has been signed at the Havana headquarters of the Cuban Institute of Cinematographic Arts and Industry--ICAIC. The document was signed by Vice Minister of Culture Alfredo Guevara and by (Boris D. Bablionov), deputy chairman of the USSR State Committee for Cinematography, who chaired the talks that preceded the drafting of the protocol. The protocol states, among other things, that mutual relations continue to be developed in the spirit of the traditional friendship that binds the peoples of the USSR and Cuba and in accordance with the guidelines of the 25th CPSU Congress and the First PCC Congress regarding problems of cultural policy. [FL252337 Havana Domestic Service in Spanish 2230 GMT 25 Jan 80 FL]

FAUNA-FLORA CONSERVATION COMMITTEE--Guillermo Garcia Frias, member of the party Politburo and minister of transportation, has chaired a meeting held in Cienfuegos to form the provincial Scientific Council's Committee for Conservation of Fauna and Flora. (Pedro Elizar Velasco), member of the executive committee of the People's Government Provincial Assembly, heads the committee which, among other functions, is responsible for making a broad study of the entire environment on that southern territory. It has been reported that so far similar committees have been created in several provinces of the country and it is expected that creation of such committees in the other provinces will be concluded during the first half of this year. [Excerpt] [FL262032 Havana Domestic Service in Spanish 2005 GMT 26 Jan 80 FL]

CUBANS IN CANADA THREATENED--Several Cubans residing in Canada have been threatened by unidentified persons. According to the report, some of the members of the Cuban community favoring a dialog with the Cuban Government have received telephone calls in recent days and have been warned that they would pay a very high price for their attitude. The last person to receive such a warning was the announcer of the Spanish program of Radio (Centreville) in Montreal, Pascual Delgado, whose life was threatened. [Text] [Havana Domestic Service in Spanish 1100 GMT 25 Jan 80 FL]

POLICE MEETING--A meeting was held yesterday with the participation of Interior Ministry chiefs and officials and party and People's Government officials from all municipalities of Havana City Province. The purpose of the meeting was to intensify the process under way to strengthen the [illegible] Revolutionary Police in our capital. The meeting was chaired by Julio Camacho Aguilera, member of the party Central Committee Secretariat and party first secretary in Havana City; Oscar Fernandez Mell,

president of the [Havana City] Provincial People's Government Assembly; and Brig Enio Leyva, vice minister of interior. [Text] [FL181724 Havana Domestic Service in Spanish 1700 GMT 18 Jan 80 FL]

HAVANA CITY NATIONAL ASSEMBLY--Havana City's National Assembly deputies this morning met with Julio Camacho Aguilera, first party secretary in this province. [Begin Camacho Aguilera recording] You all know that during the recently concluded National Assembly meeting of December 1979, we expressed the desire of meeting with Havana City Province's deputies and report to them in connection with various plans and objectives for 1980. We want to talk to you today about the embellishment, sanitation and traffic committee, about waterworks and sewer system, about road repair work, about housing, about the construction plan and about matters dealing with urban transportation. [end recording] [Text] [FL241854 Havana Domestic Television Service in Spanish 1800 GMT 24 Jan 80 FL]

GDR DELEGATION--The high-level delegation of the GDR Supreme Court that is visiting Cuba continued its work activities today. The delegation is led by Heinrich Toeplitz, president of that organ of justice. The delegation, which includes other distinguished GDR jurists, will visit the Ministry of Justice, the office of the attorney general of the republic and the party Central Committee's Department of State and Judicial Organs. According to the planned schedule of activities, the delegation will leave for Santiago de Cuba on Thursday. [Text] [FL220017 Havana Domestic Service in Spanish 0000 GMT 22 Jan 80 FL] Osvaldo Dorticos Torrado, member of the PCC Politburo, vice president of the Council of Ministers and minister of justice, today received the GDR Supreme Court delegation led by Dr Heinrich Toeplitz. The meeting was held at the headquarters of the Ministry of Justice in Havana and experiences in the judicial field were exchanged. Dr Toeplitz heads the delegation of GDR jurists that has been in our country since 17 January at the invitation of the Cuban People's Supreme Court. [Text] [FL220136 Havana Domestic Television Service in Spanish 0100 GMT 22 Jan 80 FL]

CUBAN-CZECHOSLOVAK FRIENDSHIP COMMITTEE--The Cuban-Czechoslovak Friendship Committee has examined last year's activities and approved a new plan for 1980. In the annual meeting of the committee it was also agreed to send greetings to the Cuban-Czechoslovak Friendship Association in Havana. Cuban Ambassador to Czechoslovakia Pedro Luis Torres participated in the meeting. [Text] [FL181213 Havana Domestic Service in Spanish 1100 GMT 18 Jan 80 FL]

CZECHOSLOVAK WOMEN'S MESSAGE TO ESPIN--Marie Kabrhelova, chairman of the Czechoslovak Union of Women, has sent a message of greetings to Vilma Espin, member of the party Central Committee and president of the Federation of Cuban Women (FMC), on the occasion of the Third FMC Congress to be held in March. The message was read by (Marie Vojtkova), wife of the Czechoslovak ambassador to Cuba, and it reaffirms the cooperation and

ties of friendship that bind the women's organizations of the two countries. The message expresses wishes that the March event be full of successes for the future work of the FMC. For her part, Vilma Espin expressed gratitude for the gesture of the Czechoslovak women and referred to the solidarity that exists between that European country and Cuba, fundamentally between the women of the two nations. The activity was held at the residence of the Czechoslovak ambassador to Cuba with the attendance of members of the FMC National Secretariat, Czechoslovak women who live in our country and officials of the diplomatic mission. [Text] [FL250140 Havana Domestic Television Service in Spanish 0100 GMT 25 Jan 80 FL]

VICE CULTURE MINISTER IN CZECHOSLOVAKIA--Prague--A Cuban cultural delegation led by Rafael Almeida, first vice minister of culture of Cuba, has arrived on an official and friendly visit. Almeida and his delegation were received at the Prague airport by (Karel Bartak), director of international relations of the Czechoslovak Ministry of Culture [as heard]; Vera Lebedova, director of the administration of cultural establishments abroad; and other officials of that country's party and government. Eladio Aguiar, political counselor of the Cuban Embassy, and Manuel Corrales, director of the House of Cuban Culture in Prague, also were present. Almeida and his delegation will participate in the inauguration on Monday of the new headquarters of the House of Cuban Culture. [Text] [FL261742 Havana Domestic Service in Spanish 1700 GMT 26 Jan 80 FL]

CASA DE LAS AMERICAS ANNIVERSARY--On the occasion of the 20th anniversary of the Casa de las Americas, its director Haydee Santamaria Cuadrado, member of the PCC Central Committee and Council of State, was given a reception at the main offices of the National Union of Cuban Writers and Artists [UNEAC]. A congratulatory letter was read by national poet Nicolas Guillen, member of the PCC Central Committee and president of the UNEAC. The letter notes that the musicians, poets, painters, writers and other artists have worked restlessly to raise the image of the Casa de las Americas and will continue to work for culture in accordance with Fidel's wishes. [Text] [FL251126 Havana Domestic Service in Spanish 1100 GMT 25 Jan 80 FL]

HIGHER EDUCATION STUDENTS--Eng Fernando Vecino Alegret, member of the PCC Central Committee and minister of higher education, has pointed out at a meeting with journalists who cover the education sector that there are 192,000 students in higher education, including those studying abroad and foreigners studying in Cuba. The minister emphasized that there have been increases in academic indexes in the courses for workers, which shows the interest of this type of student. Vecino Alegret referred to various matters during the meeting, including the constant need to improve the quality of classes. [Excerpt] [Havana Domestic Television Service in Spanish 1800 GMT 19 Jan 80 FL]

ANGOLAN WOMEN--A delegation of the Angolan Women's Organization has paid a 2-day visit to Pinar del Rio Province to get experience on the preparatory work for the third congress of the Federation of Cuban Women (FMC). In Consolacion del Sur the visitors were received by Blanca Amaran, member of the provincial party committee and FMC secretary general in Pinar del Rio. In talks held with the Angolan delegation the FMC leader briefed them on the work of the women in the province. The Defensores de Luanda Rural Junior High Farm School and some local FMC offices in the municipalities of Consolacion del Sur and San Cristobal were also visited by the Angolan women who are touring several of our country's provinces. [Text] [FL211121 Havana Domestic Service in Spanish 1100 GMT 21 Jan 80 FL]

VISIT TO FRG--Oscar Garcia, Cuban vice minister of higher education, today began an official visit to the Federal Republic of Germany, that will include meetings with senior government officials. The Cuban vice minister was met in Bonn, the capital, with (Herbert Leinz) who is in charge of Latin American political affairs of the FRG Foreign Ministry. [Text] [FL211958 Havana Domestic Service in Spanish 1912 GMT 21 Jan 80 FL]

AMILCAR CABRAL'S ANNIVERSARY--The seventh anniversary of the assassination of the leader of Guinea-Bissau and Cape Verde, Amilcar Cabral, has been observed at a ceremony held at the sugar industry polytechnical school that carries his name in Havana Province. Guinea-Bissau Ambassador Honorio Gomes da Fonseca spoke about Amilcar Cabral's revolutionary life and stressed the deep friendship that existed between Cabral and Commander in Chief Fidel Castro, On marking the day of our national heroes, we also wish to honor the memory of Cuban heroine Celia Sanchez, the exemplary Cuban Communist Party militant who died recently, Gomes da Fonseca said. The Havana ceremony marking the seventh anniversary of the assassination of Amilcar Cabral was organized by the Cuban Institute for Friendship With Peoples and Cuban-African Friendship Association. [Text] [FL232021 Havana Domestic Service in Spanish 2006 GMT 23 Jan 80 FL]

GRENADA AMBASSADOR--Carlos Rafael Rodriguez, vice president of the Council of State, has received in solemn audience Mr (W. Richard Jacobs) who presented his credentials accrediting him as ambassador extraordinary and plenipotentiary of Grenada to the Republic of Cuba. At the conclusion of the ceremony the ambassador went to the Plaza de la Revolucion and placed a floral wreath at the foot of the Jose Marti monument. [Text] [FL231324 Havana Domestic Service in Spanish 1200 GMT 23 Jan 80 FL]

TANZANIAN FOREIGN MINISTER--The foreign minister of the United Republic of Tanzania, Benjamin Mkasa, has arrived in our capital bearing a personal message from President Julius Nyerere for Commander in Chief Fidel Castro, president of the Councils of State and Ministers of Cuba. The Tanzanian delegation was received at the Jose Marti International Airport by Isidoro Malmierca, member of the PCC Central Committee and foreign minister. [Text] [FL241843 Havana Domestic Television Service in Spanish 1800 GMT 24 Jan 80 FL]

PLO REPRESENTATIVE--(Imad Sadat), the Palestine Liberation Organization representative in Cuba, today held a news conference on the occasion of the 15th anniversary of the Palestinian revolution. It was held at the headquarters of the Cuban Institute for Friendship With Peoples--ICAP--in Havana. (Imad Sadat) said his people continue to struggle with determination until final victory against Arab reaction, Zionism and North American imperialism. [Text] [FL260033 Havana Domestic Service in Spanish 0000 GMT 26 Jan 80 FL]

INDIA REPUBLIC ANNIVERSARY--Foreign Minister Isidoro Malmierca last night attended a cocktail party hosted by the Cuban Institute for Friendship With Peoples (ICAP) on the occasion of the 30th founding anniversary of the Republic of India. In addition to India's ambassador, Prit Mohan Singh Malik, others attending the party included Foreign Trade Minister Ricardo Cabrizas and Vice Foreign Minister Pelegrin Torras. ICAP Vice President (Guillen Alfonso Pelaya) spoke of India's historic and cultural legacy to mankind. The ICAP vice president congratulated Indian Prime Minister Indira Ghandi on her election to that position and expressed Cuba's solidarity with the worthy stand taken by the stateswoman with regard to border problems with China and the threats that they entail. The ICAP vice president concluded his remarks wishing strengthened ties of friendship between Cuba and India. [Text] [FL261318 Havana Domestic Service in Spanish 1100 GMT 26 Jan 80 FL]

VIETNAMESE DIPLOMAT--(Qrang Hu Sui), Vietnam's charge d'affaires in Cuba, has asserted at a news conference held in Havana on the occasion of the 50th founding anniversary of the Communist Party of that fraternal country that China is preparing for a second war of aggression against Vietnam in collusion with Yankee imperialism. He added, however, that the Vietnamese people maintain high and in an organized manner their spirit of vigilance and combat readiness. The Vietnamese representative emphasized that the founding of the Communist Party in February 1930--created, led and forged by President Ho Chi Minh--marked the fundamental turn of the revolutionary history of Vietnam which, with the definitive victory of 1975, showed the inevitable collapse of neocolonialism in the world. [Text] [FL260027 Havana Domestic Service in Spanish 0000 GMT 26 Jan 80 FL]

SOVIET CINEMA OFFICIAL--Armando Hart Davalos, member of the PCC Politburo and minister of culture, has received at his ministry's office (Barys Pavlionok), deputy chairman of the USSR State Committee for Cinematography. The two leaders noted the profound and friendly relations prevailing in the field of cinematography between Cuba and the USSR, as a demonstration of the irrevocable and firm friendship uniting the two peoples. The high point of (Pavlionok's) visit to Cuba was the signing of a cooperation protocol in the field of cinematography for the current year. [Text] [FL290044 Havana Domestic Service in Spanish 0000 GMT 29 Jan 80 FL]

NEW CUBAN CULTURE HOUSE--Rafael Almeida, Cuba's first vice minister of culture, on Monday presided over the inauguration of the new headquarters of the House of Cuban Culture in Prague. Czechoslovak Minister of Culture (Milan Tusak), Cuban Ambassador Pedro Luis Torres, Czechoslovak Deputy Minister of Foreign Affairs S. Svoboda, new Cuban House of Culture Director Manuel Corrales and representatives of Czechoslovak intellectuals attended the ceremony. Following the opening remarks by the outgoing director of the House of Culture, Lidiana Corcho, who recalled the cultural work of the institution over the past few years, Czechoslovak Deputy Minister of Foreign Affairs Svoboda spoke followed by Ambassador Torres. The ambassador said that the day was one of joy and remembrance for Cubans because Cuba was celebrating this week the national Marti drive in honor of the country's supreme hero, Jose Marti, whose 127th birth anniversary was celebrated yesterday. [Text] [FL291128 Havana Domestic Service in Spanish 1100 GMT 29 Jan 80 FL]

CSO: 3010

INDUSTRIALIST FORESEES CONTINUED ECONOMIC GROWTH IN 1980

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 12 Dec 79 pp 5-7, 13-14, 16

[Speech by Herbert Fischer, president of the Chamber of Industry of Guatemala, delivered before the American-Guatemalan Chamber of Commerce luncheon in Guatemala City, 11 December 1979]

[Text] Herbert Fischer, president of the Chamber of Industry of Guatemala, painted a promising picture of the Guatemalan economy yesterday. His outlook is optimistic for all spheres of national economic activity.

Fischer made his remarks during an interesting lecture delivered at the working luncheon of the American-Guatemalan Chamber of Commerce held in the Salon Los Reyes of the El Dorado Americana Hotel.

The economic section of this newspaper takes pleasure in reproducing the complete text of the dense and well-documented speech.

The following is the text of the speech by the president of the Chamber of Industry.

Guatemala's Economic Prospects for 1980

It was with pleasure that I accepted the invitation extended to me by the American Chamber of Commerce of Guatemala to make certain predictions about the Guatemalan economy in 1980. My remarks to you will contain historic and preliminary figures, some as recent as October 1979. These figures are from various organizations which I consulted and which were happy to provide me with the necessary information. I used them as a basis for the projections I shall present to you.

I have the distinct honor of speaking to you today about what I believe will be Guatemala's economic development in 1980.

Based on the analysis I have made, Guatemala's economy is alive and growing and likely to grow even stronger this year. I should like to repeat and emphasize that it is alive and growing and promises to become even stronger in 1980.

In order to situate ourselves in 1980, I believe that it is first necessary to make a brief survey of the behavior of our economy over the past 5 years and thereby have a context within which we may better understand our current situation and prospects.

Last 5 Years

We must remember that during the 5 years between 1974 and 1978, the world economy was affected by the 1975 recession. The international monetary system was altered by a destabilization of rates of exchange that led to the restructuration of the international monetary system. Finally, all nations in the Western world were affected by the scourge of inflation, which gained speed in 1973 with the increase of the price of oil and oil by-products.

Regarding our country, the 1974-1978 period was a 5-year span of time that provided Guatemalans with experiences without precedent. First of all, Guatemala, a country with a long tradition of price stability, could not avoid the world inflationary process. Second, we Guatemalans faced the worst natural disaster of this century, when a large area of our territory was shaken by the violent earthquake of 4 February 1976, which caused losses of human life whose cost cannot be reckoned and material damage set at over 1 billion quetzals.

Despite these two adverse phenomena and the unfavorable international context, the Guatemalan economy reacted well over the 5 years, achieving the highest rates of economic growth of recent years and to some extent, managing to halt the inflationary spiral.

Beginning in 1975, a year in which economic activity registered a slowdown, economic growth, measured by the gross national product at constant prices, showed an accumulative annual rate of 7 percent, one of the highest of all developing countries in the Western world, which led to an accumulative real increase in per capita income of 4 percent.

Within the economic evolution during the 1975-1978 period, the growth of the industrial sector was noteworthy with an average annual rate of 9 percent, which made it the most vigorous sector. Furthermore, the rate of inflation, which reached a high in 1974 with 16 percent, dropped to 7.9 percent in 1978.

This growth in production was possible due to the positive reaction of all Guatemalans to the task of rebuilding the country and thanks to favorable prices on the international sugar and coffee markets. These factors led, directly and indirectly, to greater production, particularly in the branches of construction and industry. In addition, the favorable prices mentioned and the net receipts of private and official capital were the main cause of a substantial increase in the country's international monetary reserves and a strengthening of public finances.

It is fitting to recognize that in the results obtained, an important role was played by the public sector through its investment programs, both in projects of national reconstruction and in economic and social infrastructure programs. One special aspect that should be emphasized is the fact that the financing of the activity carried on by the public sector was done in a coordinated manner with the monetary authorities so as to use financing from the Central Bank in a moderate fashion and thereby avoid greater inflationary pressure.

The significant evolution in the economy resulted in the creation of new jobs, particularly in the areas of construction, industry and agriculture. In some cases, there was a scarcity of labor, as in the coffee, sugarcane and cotton harvests. Naturally, the scarcity of labor resulted in wage increases in the city and country. On many properties and especially in construction, wages even tripled. The resulting increase in the purchasing power of a broad sector of the community also strengthened domestic demand, which stimulated the production of goods and services, especially those widely consumed. One should point out the growth experienced by certain industries.

Growth Rates of Certain Industrial Branches

1960-1969: clothing, 13.7 percent; 1970-1976, 31.7 percent
1960-1969: furniture, 1.0 percent; 1970-1976, 20.7 percent
1960-1969: food, 3.8 percent; 1970-1976, 12.2 percent
1960-1969: chemical products, 6.4 percent; 1970-1976, 14.3 percent

The economic growth experienced spread to broad sectors of the country, especially regarding the creation of jobs and an improvement in wages.

One should mention an important fact for the Guatemalan economy, which was the decision made by Congress in April 1978 to maintain the external value of the quetzal at that of the American dollar, which actually dates from 1924 when the Congress made the decision. Two other alternatives were also proposed: increasing the value of the quetzal or even allowing it to float.

However, the conclusion was reached that because of the importance of commercial and financial relations with the United States and other countries in the dollar area, the best thing to do would be to maintain the ratio with the American dollar.

In sum, the 5-year period was positive for Guatemala. The country achieved increased production, increased per capita income and a volume of international monetary reserves totaling $800 million, all within a climate of relative monetary stability and absolutely uncontrolled foreign exchange.

Behavior of Guatemalan Economy in 1979

Guatemala is a relatively small country with an open economy. If we take as an indicator of the openness of a country the volume of its foreign trade

in relation to its gross national products, then we find that the indicator for Guatemala is about 50 percent. This makes our country particularly vulnerable to circumstances on the world market.

The principal industrialized countries developed in 1979 within a less favorable framework. Preliminary estimates from national and international financial institutions point toward a deceleration of those countries' economic growth, which on the whole could go as low as 2.8 percent, the smallest rate of growth since the 1975 recession. In addition, the worldwide rate of inflation continues to spiral, waivering between 12 and 13 percent.

This rate of inflation, which is higher than that of the previous year, was once again affected by the increase in oil prices, which are an estimated 60 percent higher than in 1978.

Because of our close commercial and financial relations with the United States, the behavior of the American economy is particularly important for our country. There can no longer be any doubt that that country has finally entered a recession, as seen in the negative growth rates predicted for the last quarter of 1979 and the first quarter of 1980. For its part, the rate of inflation could reach 13 percent.

It is also necessary to point out the real and subjective effects that affected Guatemala because of events in the Central American region. Despite this fact, Guatemala's economy continued to grow in 1979 at a real rate estimated at about 4.5 percent. This is slightly lower than in 1978, when the figure was 5.2 percent.

Concerning the agricultural sector, it has been stimulated almost everywhere by higher prices for the principal agricultural export products. In addition, despite some flood damage, the country has benefited from the rainfall it has received, which has resulted in a satisfactory evolution of agricultural supplies for export and the basic consumer needs of the population.

With respect to industrial activity, it is estimated that the actual expansion of this sector can reach an approximate rate of 6.2 percent this year.

In close relationship to the agricultural and industrial sector, commercial activity has also manifested a parallel increase.

Within the evolution of economic activity, the behavior of the construction sector stands out because of a decline compared with 1978. This decline is due to a series of factors, among which I might mention reduced financing for this activity, possible saturation with respect to a certain line of condominiums for apartments and offices, a more rapid increase in construction costs and, one must admit, a less favorable climate due to events in Nicaragua and El Salvador. In addition, the process of reconstruction has been declining as the housing destroyed or damaged by the 1976 quake is recovered or repaired.

In general terms, the Guatemalan economy has been helped by prices higher than anticipated for coffee and cotton. Likewise, there has been an important increase in long-term foreign capital receipts, mainly in the hydrocarbon sector.

For 1979, the average annual rate of inflation is about 11 percent on the whole, based on the consumer price index. This continues to be high compared with levels reached in Guatemala before 1973. Of significant importance is the increase in the price of oil and oil products, which directly or indirectly affects the price of all domestic goods and imports.

The rate of inflation would have been even higher if it were not for the moderate increase in prices for basic commodities -- corn, beans and rice -- which carry considerable weight in the family food basket used in the index. This gives some protection to most of the population, whose basic diet depends on these products.

I should now like to comment on Guatemala's commercial and financial relations with other foreign countries.

Foreign Sector

At the beginning of 1979, it was thought that the result of the country's dealings with other countries would be a loss of international monetary reserves on the order of 60 million quetzals. Fortunately, the recovery of the prices of some of our main export products and the strong receipts of foreign capital show that the deficit in the balance of payments will be reduced to some 30 million quetzals. The country's imports will amount to some 1.45 billion quetzals in 1979, 14 percent over 1978 imports. This increase is the result of the very growth of the economy, which requires imported consumable expenditures, and the increase in prices, particularly for oil and oil products. In 1978, the country paid some 170 million quetzals for oil from other countries. It is estimated that in 1979, the figure will be 240 million quetzals, an increase of 41 percent.

With respect to exports, foreign exchange receipts will total an estimated 1.2 billion quetzals. Based on very preliminary estimates, the estimated receipts from the main export products are as follows for 1979:

Central America	282.0
Coffee	450.0
Cotton	195.2
Sugar	30.0
Bananas	30.0
Meat	42.0
Cardamon	43.0
Nickel	16.8
Other	111.0
Total	1,200.0

It should be emphasized that receipts from nickel exports in 1979 began to be significant since EXMIBAL [Izabal Mining Exploration and Exploitation, Inc.] completed its first whole year of operation. For this year, receipts of 40 million quetzals are anticipated, the proceeds from the sale of 15 million pounds.

Guatemalan sales to the rest of the Central American countries should reach an approximate total of 285 million quetzals, despite the problems encountered by the Common Market and despite political and economic events in the region. The total represents a 6-percent increase over 1978 exports. I shall go into detail later concerning the current situation and the prospects of the Central American Common Market.

As a result of the purchases and sales of goods abroad, our commercial balance registered a deficit of some 250 million quetzals in 1979. The bill for services, made up of transportation, investment income, tourism, travel, insurance and other miscellaneous items, turned up a negative balance for the country. For this year, it is estimated that there will be a negative balance on the order of 185 million quetzals.

When one takes into account transfers for remittances and donations received from other countries, our balance of payments could reach a negative figure of 320 million quetzals.

The picture changes when we consider short- and long-term capital turnover. The negative balance will be almost completely corrected with net capital income. In fact, long-term private capital receipts, mainly used to finance the country's production apparatus, and foreign loans received by the government to finance investment projects will reach a sum of nearly 900 million quetzals, which would be an increase of 20 percent over short- and long-term capital receipts registered in 1978.

This fact is particularly important because it reveals the confidence of foreign investors in the country and the potential of our natural and human resources.

For their part, amortizations of short- and long-term loans could reach a little under 600 million quetzals, leaving a positive balance in the country's capital account of nearly 300 million quetzals.

The result of all transactions with other countries will be a slight loss in international monetary reserves for 1979 that could be around 30 million quetzals.

With this result, our international monetary reserves will total over 750 million quetzals at the end of December 1979, a figure that will be considered adequate and that would cover five and one-half months' of imports. This indicator is one of the highest in Latin America and reveals our country's solid international position.

Public Finances

I believe that I should comment briefly upon the behavior of public finances. Better results are now expected than what had been anticipated at the beginning of the year. This is mainly a result of the recovery of coffee prices, which at current levels gives the treasury .45 quetzal for every 1-quetzal increase. Based on the budget and on likely performance indexes, government income could be around 700 million quetzals and both capital charges and operating expenditures would be some 860 million quetzals, yielding a deficit of 160 million. Among the capital charges contemplated, of special importance are those devoted to electrification in the Chixoy and Aguacapa projects and economic and social infrastructure projects.

As a result of both domestic and foreign loans to be used by the public sector, the public debt at the end of 1979 could be approximately 1.14 billion quetzals, including an internal debt of 630 million and an external debt of 500 million. With regard to the foreign debt, one of the most common indicators for measuring the burden consists of a comparison of the country's exports with the amount of payments made to other countries for capital, interest and services. This indicator is an estimated 2.4 percent for 1979, one of the lowest in Latin America. One must recognize that the amount and structure of our foreign debt, with long terms, periods of deferment and low interest rates, reveals the care that our authorities have had in contracting loans abroad. I hope that this policy will be continued by the current foreign financing commission (COFE), which was set up to negotiate the entire foreign debt contracted by the country.

Monetary and Banking System

In the course of the year, means of payment and savings and term deposits have registered a slowdown in their rate of growth. For 1979, it is expected that liquidity will grow at a rate of between 9 and 10 percent, the lowest rate in the decade. This is basically due to the behavior of international reserves which, as expected, did not increase as they have in recent years.

With respect to the banking system, we have seen the emergence of two new banks, raising the number of financial institutions in the system. This expansion benefits loan recipients, who find more efficient services within a more competitive scheme of things.

Concerning credit assistance for the country's private sector from banks in the system, growth rates have been similar to those in 1978, which has been possible thanks to the utilization of surplus liquidity accumulated by the banks and to financial assistance from the Bank of Guatemala. However, a large unsatisfied demand has been felt through the rediscounts.

Allow me to speak briefly about the interest rate system in the national banking system. For many years in Guatemala, there has existed a system of

rigid rates set by the Monetary Board. At the present time, the banks can charge up to 11 percent annually for their credit operations and pay no more than 9 percent annually on savings deposited. These levels are in contrast with those seen on international markets, where the prime rate has gone up as high as 15.75 percent and passive rates up to 14 percent. A great deal has been said about the suitability of a system of fixed interest rates compared with another system with flexible rates.

Our monetary authorities intend to revise the current system of set interest rates so that our system may be more realistic and in keeping with foreign capital markets.

Guatemala's commercial and financial relations, its geographic position and the rapid means of communications and bank services make it indispensable for the country's system of interest rates not to be divorced from the international context.

Guatemala's Economic Prospects for 1980

Despite the problems anticipated in the world economy, particularly in nations in the Central American area, Guatemala will continue to grow in 1980 at a rate that may be faster than in 1979. This evaluation is the result, not only of the faith and confidence we have in our country, but of a serene and objective analysis of the factors that move our economy.

Let us take a quick look at what the world economy will do during the coming year, as predicted by analysts from international and national institutions. There is a concensus that in 1980, the world economy will be characterized by a drop in economic activity, accelerated inflation and persistently high rates of unemployment.

On the whole, the economic growth rate of industrialized countries could drop from 2.8 percent in 1979 to 1.9 percent in 1980.

This slower rate of growth in industrialized countries is obviously negative for developing countries since there demand for raw materials will be restricted.

Concerning an acceleration in the world inflation rate, the principal cause will be the decisions of OPEC countries to increase the price of crude oil once again. As the result of a new increase, world growth rates will be affected, inflation will reach higher levels and there will be ever larger deficits in the current account, mainly in developing nations that do not produce oil.

For Latin American countries, the average rate of growth could be between 4.5 and 5 percent.

Nevertheless, prospects for the Guatemalan economy are satisfactory and encouraging. It is thought that economic activity will register a real

growth rate on the order of 5 percent, resulting in real growth in per capita income of 5 percent. The slight recovery anticipated over the 1979 figure is fundamentally based on the agricultural sector, given the startup of operations at new industrial factories, expansion of existing facilities and the increase expected in the completion of investment projects in the public sector.

Evolution of Industrial Sector

The Guatemalan industrial sector has evolved considerably from the qualitative as well as quantitative standpoint. This evolution is confirmed by indicators which the Bank of Guatemala has published to the effect that one of the main factors helping to move the national economy is the manufacturing industry, which demonstrates the vigor of the sector.

This year, industry has registered acceptable growth despite the political phenomena affecting Central America, which prevented Guatemalan industry from recovering the total value of its sales in the area.

Our expectations that industry will improve its position in 1980 are based on the large number of projects that will go into effect this year and on expansions of existing industries that will supply the national market and part of the Central American demand. According to records on the industrial policy of the Ministry of Economy, several industries have requested their classification in keeping with the Central American Convention on Fiscal Incentives to Industrial Development. I am only going to enumerate those projects considered to be of greatest importance, such as a sugarmill, a project to produce rolled steel, the manufacture of machinery and equipment for the irrigation system, artificial resins made from forest products, glass bottles, building materials, the manufacture of flat glass, a weaving mill to make fabrics from cotton and synthetic fibers and numerous industries considered to be traditional, such as shoes, ready-to-wear clothing, wooden furniture, plastic toys and school supplies.

In addition, approval has been given to an investment of some 150 million quetzals for the establishment of a plant to make long-fiber, bleached pulp for use in the manufacture of paper.

Anxious to achieve the greater welfare of the Guatemalan people, the Chamber which I have the honor to head has promoted the passage of laws supporting that objective, as in the case of the Draw Back law for incentives to export firms and the Industrial Decentralization Law. The Chamber is constantly concerned with the professional and technical level that must be achieved by workers and owners in order to ensure that our products will be of the highest quality on any market. We look with pleasure upon the work done by the Vocational Technical Institute and the work being done by INTECAP [presumably Technical Training Institute], through its different training centers, nearly all of which are financed by the private sector. We have full confidence in the establishment of enterprises in the free zones, which generate jobs, and we hope that the Industrial Decentralization

Law will enable us to take maximum advantage of our human resources and the diversity of raw materials that exist in our territory, strengthen our domestic market and, why not say it, prevent any migration to Guatemala City.

Foreign Sector in 1980

If special circumstances do not appear to modify the picture of the country's international economic relations, the net result of transactions with the rest of the world may provide Guatemala with some foreign exchange profits in 1980.

As I have already indicated, the main reason lies in the favorable projections of prices for our principal export products.

The growth predicted for imports is compatible with the degree of development of economic activity in 1980. It is thought that imports could go as high as 1,625,000,000 quetzals, which would imply a 12-percent increase with respect to purchases in 1979.

Income from our exports could total about 1.44 billion quetzals, reflecting a 20-percent increase over 1979 sales. I shall later mention briefly each of the principal export products.

The previously outlined reasons, which caused an increase in current coffee prices, will continue to have an effect in 1980. I would only add that grain stocks have declined and that the supply from producer countries is expected to increase, but slowly. This leads us to expect the good prices already mentioned. It is hoped that foreign currency income from the sale of coffee will amount to the sum of 525 million quetzals, at an average price of 175 quetzals per quintal. This is a slightly lower price than estimated by other institutions. However, I believe that although conservative, it is realistic.

With respect to cotton, the world market has shown significant changes in recent months that have raised prices. At the beginning of January 1979, a 100-pound bag cost $63.47 on the New York market. By December, that price had risen to $68.85. Perhaps the most significant fact is the appearance of a strong additional demand on the market from Mainland China. Despite the fact that this country has followed the policy of establishing itself mainly with the United States, it is enough that world demand increases in order for the positive results to be felt by all other producer countries. The price of cotton has also been influenced by the increased cost of synthetic fibers and to some extent, the smaller harvests expected of Nicaragua and El Salvador. In 1980, income from this product could generate 210 million quetzals for the country.

With respect to sugar, there is agreement among market analysts in pointing out that for the 1979-1980 harvest, there will be an insufficient supply to meet the demand. For the time being, prices have not reacted to the

extent expected because of the existence of relatively large stocks estimated at some 30 million tons. Sugar prices on the U.S. market, which is the one that interests us, could vary around 16 quetzals per quintal. Sugar exports for 1980 have been estimated to total 65 million quetzals, at an average price of 13 quetzals, which takes into account sales contracts concluded at prices lower than current market prices.

Prospects for meat and banana exports are also favorable, especially for meat, whose price has steadily increased on the U.S. market since April.

With respect to nickel exports, I believe that sales will reach an approximate value of 40 million quetzals, as a result of the export of 18 million pounds in 1980.

In 1980, exports could begin a historic chapter of far-reaching importance for our Guatemala since for the first time, we are contemplating the exportation of crude oil. According to semi-official reports, Guatemala could export some 3,500 barrels a day in 1980, which would represent an estimated 30 million quetzals in foreign exchange income.

Oil prospects in Guatemala are positive and encouraging, as one can see from the strong investments made in this sphere and the recent completion of the oil pipeline from Rubelsanto to the Atlantic Coast, a pipeline that is approximately 250 kilometers long and that cost 30 million quetzals, based on information obtained. The pipeline can carry 53,000 barrels of crude oil a day. For some time now, the Petro-Maya Enterprise has been producing nearly 1,500 barrels of crude oil a day, which has been used in the cement industry and to generate electric power inside the territory.

It is hoped that in 1980, explorations will be undertaken by Hispanol, Gettyoil and Texaco-Amoco, which I understand have already signed the respective contract with the government.

Concerning other exports, I shall later speak about the Central American Common Market. However, Guatemala's exports to the rest of the area could represent 320 million quetzals and a 13-percent increase over 1979 sales.

I believe it is necessary to mention the positive and highly constructive work being done by the private sector together with the National Export Promotion Center (GUATEXPRO) to promote the diversification of our nontraditional export products, as in the case of cardamon, shrimp, lobster, pepper, sesame, textiles and other manufactured and natural products.

We hope that GUATEXPRO will stimulate the study and implementation of different programs for incentives to exports, especially activation of the guarantee fund for granting backing, implementation of the export credit system and evaluation of the advance payment and rediscount fund which, although it has existed for several years, has not been used to increase sales abroad.

On the whole, we believe that sales abroad in 1980 will reach the record figure of 1.44 billion quetzals.

The "Services" portion of the balance of payments will show a deficit of an estimated 250 million quetzals, which will be partially compensated for by the net flow of transfers and remittances to Guatemalans from abroad and donations, totaling some 125 million quetzals. As a result, the balance of payments will register a deficit on the order of 300 million quetzals.

Within the heading "Services," I should like to speak about tourism in particular.

Tourism

It is estimated that in 1979, Guatemala will have 520,000 visitors, a 25-percent increase over the 1978 figure of 415,580. At the present time, Guatemala has approximately 45 percent of all tourists visiting Central America from the United States and there has been an increase in the number of tourists from other parts of the globe.

For 1980, everything would seem to indicate that the number of visitors coming in 1979 may be exceeded. Current estimates put the figure at 550,000. The average stay is between four and four and one-half days and it is thought that the tourist sector will represent receipts of approximately 120 million quetzals in foreign exchange for 1979 and 150 million for 1980.

The open-door policy adopted by the current government is a cornerstone of achieving an increase in the number of tourists visiting Guatemala and being able to continue the development of the "smokeless industry." It is hoped that by mid 1980, various airline companies in the United States and other countries will connect Guatemala with new airports in important cities. Efforts being made to create an adequate infrastructure at Parque Tikal will help extend the average stay, with the resulting benefits for Guatemala. INGUAT [expansion unknown] and the private sector are continuing their study in order to develop new tourist areas and there are advanced studies for the Izabal area.

Guatemala has natural paradise spots perfect for vacationing and it has cultural and archeological treasures inherited from our Mayas, who in pre-Colombian times were one of the most advanced ethnic groups. These elements, along with Guatemalan hospitality, are the foundation for our plan to continue promoting tourism.

With respect to capital turnover, an estimated 900 million quetzals in receipts and 570 million quetzals in expenditures are expected for 1980. Principal receipts correspond to long-term capital, both private and public, which shows the confidence which investors and lending institutions have in Guatemala. I also wish to emphasize the individual freedom that

exists in Guatemala as a basis for the sustained social and economic growth of our country.

Guatemala welcomes without restrictions or discrimination all investments in our country. Our officials have always looked favorably upon the establishment of foreign firms and persons wishing to complement our technology and capital. One should mention that there are no restrictions upon transferring the profits from these investments or loans abroad. The consolidation of all accounts making up the balance of payments for 1980 -- and I hope the crystal ball bears me out -- will give Guatemala a net income of 20 million quetzals, increasing international monetary reserves to the considerable sum of 780 million quetzals by December 1980. The size of our reserves continues to guarantee the country's foreign solvency and the solidity of our currency, without trying to inflate our reserves. One should also mention the fact that based on IMF reports, Guatemala has 23.5 million quetzals in gold, based on the value of that metal in previous decades.

One could then say that the 23.5 million quetzals could easily be multiplied by 10 at the present time.

Public Finance

The favorable outlook will strengthen fiscal income, meaning that Guatemala's fiscal situation in 1980 will continue to be extremely manageable, without a deficit that could compromise the country's monetary stability. In the government's proposed budget, receipts total an estimated 1.28 billion, representing a 21-percent increase over the 1979 budget. Of these receipts, 61 percent will come from taxes, 5.8 percent will be made up of carryovers from previous fiscal years and donations from abroad, and the remaining 34 percent will consist of domestic and foreign debts.

With respect to expenditures, 640 million quetzals are allocated for operating expenses, with an increase of 23.5 percent over the 1978 budget. Part of this increase will be used to finance a salary increase for public employees and to expand services which the Central Government supplies to the community. For public investments, the sum of 484.3 million quetzals is allocated, 22.1 percent higher than the budgeted sum this year. The most important projects to be financed include electrification, especially the hydroelectric plants, for which purpose the sum of 123.4 million quetzals has been set aside. For the construction of health centers, housing, schools and public administration buildings, 74.5 million quetzals have been appropriated. Some 60.8 million quetzals will be spent to build roads and finally, the sum of 50.2 million quetzals has been allowed to promote the development of handicrafts, tourism and the marketing of different crops. Part of the public investments continue to be devoted to the reconstruction of public buildings and health centers in the capital and the interior, as part of the 1979-1982 Government Plan.

Central American Common Market

The important industrial development achieved by Guatemala has basically stemmed from two factors. First of all, the Guatemalan Government has adopted a policy of industrial promotion, consisting of granting incentives to industries being established in the country to meet national and Central American demand. The other factor that has played an important role in developing Guatemalan industry is the Central American Common Market, which is deserving of a special commentary.

It is a well-known fact that the General Treaty on Central American Economic Integration was signed in Managua on 13 December 1960. That treaty is the legal framework for regional integration. During the period between 1960 and 1968, the five Central American countries took advantage of the opportunities offered by the Common Market, especially with respect to increasing trade in the region itself. Guatemala has been one of the countries to benefit the most from Central American trade. Over the 9 years, from 1969 to 1978, it achieved a favorable balance of trade amounting to 157 million quetzals. The conflict between El Salvador and Honduras had a serious effect on the operation and prospects of Central American integration, since it produced a change in the scheme of regional trade which had operated on a completely multilateral basis among the five countries. The conflict had a negative effect on all Central American countries. The Central American system of highways was interrupted and the institutional framework of the program subjected to a temporary recess.

Fortunately, inter-Central American trade has continued to develop normally and the figure for trade in 1979 will easily exceed 1 billion Central American pesos (1 Central American peso is equivalent to 1 American dollar).

Other more recent problems have further aggravated the situation of the Central American Common Market, as in the case of the political phenomena in Nicaragua and El Salvador. Fortunately, the National Reconstruction Junta of the Republic of Nicaragua has stated that it will remain within the scheme of integration, although it did indicate that there would be some changes in emphasis and projections. The new Salvadoran Government announced in its first statement that it would remain within the process of integration and that it would reactivate the process hindered in recent years by the constant crises. Since 1969, when the conflict erupted between El Salvador and Honduras, continuous efforts have been made to reestablish the Central American Common Market. To that effect, the governments adopted the commitment to establish the modus operandi. Later, the normalization commission of the Central American Common Market was set up, followed by the high-level committee for the improvement and restoration of the Central American Common Market. The high-level committee drafted the proposed Treaty on the Central American Economic and Social Community, known as the Framework Treaty. The treaty did not gain the political backing of the different governments, mainly because on certain matters, it contradicted constitutional principles of each of the countries in the region. Since 1974, the ministers and vice ministers of economy have

assumed the powers granted by the General Treaty on Central American Economic Integration to the Economic and Executive councils, meaning that meetings have been held to solve economic problems facing the region, especially those relating to commercial trade. The Central American ministers of economy have agreed to adopt a new tariff policy, for which purpose they set up the group of coordinators of Central American customs policy with the task of drafting the new schedule of tariffs and all technical and regulatory provisions relating to the region's customs system.

Guatemala plays a very important role in Central American trade and over the past 7 years, our country has exported 1.3 billion quetzals worth of goods to the rest of Central America and imported goods totaling 858 million quetzals, meaning a surplus of 435 million quetzals for the period in question.

Despite the serious problems that have affected Central American countries, especially Nicaragua and El Salvador, where important political changes took place in the months of July and October respectively, the Guatemalan Chamber of Industry is fully confident that Central American economic integration will be strengthened and will continue to be a true instrument of economic and social development for the entire region.

Without failing to recognize the political and social difficulties, the Guatemalan Chamber of Industry bases its positive economic projections for 1980 on efforts being made to solve the Salvadoran-Honduran conflict and on recent statements issued by the National Reconstruction Junta of Nicaragua and the new Salvadoran Government to the effect that both countries will remain within the integration process and are interested in reactivating the process. Considering the degree of interdependency that has been created between countries in the region and the new projects to be undertaken in 1980, the Guatemalan Chamber of Industry has projected that for this year, inter-Central American trade will be on the order of 1.2 billion quetzals, representing more than a 20-percent increase compared with trade in 1978.

The favorable outlook for the Common Market in 1980 is also based on the results of the latest meeting of Central American ministers of economy held only 10 days ago in Costa Rica. Representatives of the five countries repeated that their governments are clearly interested in strengthening the Central American Common Market and doing everything possible to promote the process of Central American integration.

At that meeting of ministers of economy from the region, there was manifest interest on the part of the community in maintaining the free trade area and accelerating work on the drafting of new tariffs which, in addition to being an important instrument of foreign trade in the region, will serve as a basis for future industrial development. Studies which the ministers of economy asked SIECA [Secretariat of Central American Economic Integration] to do on foreign investment in the region and on tax problems of the countries also presume the governments' interest in continuing the process of regional integration.

Another eloquent indication is the resolution of the five ministers of economy to meet in January 1980. At the meeting, priority will be given to a discussion of making tariffs more flexible, concluding bilateral trade agreements with third countries and the need for close cooperation between nations in the region in renegotiating Nicaragua's foreign debt.

All of this is a clear demonstration that the manufacturing industry will continue to develop within the framework of the Central American Common Market.

Currency and Banking

Let us now take a quick glance at what the future holds in the area of liquidity and bank credit.

Based on the general outline of economic prospects in 1980, mainly with regard to the behavior of international monetary reserves and financing that will be required by the public sector, it is thought that monetary variables will show an increase similar to that of 1979. In other words, growth rates of means of payment will vary between 8 and 9 percent.

This premise leads to the conclusion that credit from the banking system to the private sector will experience a moderate rate of growth. This will require monetary authorities to consider ways of adequately financing the productive apparatus, since in 1980, banks will be practically without the excess liquidity characteristic of the years 1976, 1977 and 1978.

Social Aspects

With respect to the redistribution of income, as I already indicated in another part of my address, the most important thing may well be the fact that in both the cities and rural areas, workers have had wage increases that have outstripped inflation, meaning a real improvement in their purchasing power. This conclusion emerges from statistics of agricultural and industrial enterprises that constitute a good example of the phenomenon.

This improvement can be seen qualitatively when one observes better patterns of consumption and housing over the last decade.

In addition, one should emphasize another important factor in the redistribution of income, which is the Guatemalan Social Security Institute (IGSS). This institute was designed as a vehicle for channeling resources from the labor sector and the owners sector in order to finance medical care and other benefits totally oriented toward the country's working class and its families.

Given the important function which the Institute has, it is suitable to update certain provisions and make certain changes that will redound to the benefit of the working class.

Recreation for Workers

As part of its social policy, the government is joining with the management sector and making efforts in the field of recreation and diversion for workers and their families. In the last 5 years, the country's manufacturing industry has contributed to the financing of the activities of the Workers Recreation Institute (IRTA) with the sum of 14 million quetzals. In addition, numerous industrial enterprises have as part of their social policy or as the result of collective agreements on working conditions special programs for the promotion of sports and cultural activities in order to improve the living conditions of the country's working population.

Employment and Wages

Due to the fact that the traditional productive activities of our country do not have sufficient capacity to absorb the increase in the Guatemalan population of working age, the industrial sector plays an ever more important role in generating jobs. The Guatemalan Chamber of Industry believes that over a quarter of a million Guatemalan workers are employed in industry and handicrafts, which means that 20 percent of the population depends on industrial activities to survive.

According to records of the Guatemalan Social Security Institute, over the past 5 years, the manufacturing industry has paid salaries and wages amounting to 477 million quetzals, thereby effectively contributing to the well-being of the workers of Guatemala. One must also consider that the wages paid by industry are much greater than the figure indicated since many small family-type industries and handicrafts are not covered by Social Security.

Furthermore, the Guatemalan Chamber of Industry has taken steps with the proper organizations so that as soon as possible, the new minimum wages that were discussed and approved by the equalization committees and the National Wage Committee will go into effect. All of this is proof that the benefits of the country's industrialization and economic development are being distributed to all social strata of the Guatemalan population.

Labor Code and Its Projections

In order to improve the situation of Guatemalan workers, the management sector has cooperated with the government in drafting a new Labor Code, which will go into effect on 1 May 1980.

Without a doubt, the proposed Labor Code constitutes a new instrument that will improve worker-employer relations, inasmuch as it establishes new benefits for workers and what is more important, introduces the principle of universal indemnification. This means that no matter what the cause of a worker's retirement from an enterprise, he will always receive the sum of money corresponding to his indemnification. The new Labor Code being

studied by Congress provides that employers must make monthly deposits in the amount of their workers' indemnification. Interest accruing on deposits will go to workers.

In addition, the new Code makes more flexible procedures for the registration of trade unions, thereby strengthening the freedom of trade union organizing established by the constitution. Steps are also being taken so that part of the funds from the universal indemnification will be channeled with preference toward the construction of housing for workers.

Our Mayan ancestry, profoundly individualistic, and the legacy bequeathed to us by colonial times have merged and made up a Guatemalan society sui generis, with its own identity and institutions. We have a historical bond with Central America and great interest in the social and economic well-being of the region, but we also have our own problems and characteristics that differentiate us from other nations in the region.

It is true that among other things, we face inflationary problems, population, health, education, housing problems, problems in incorporating all Guatemalans into production and the enjoyment of a minimal level of satisfactions, but have all the developing countries not faced similar problems? The important thing is to emphasize that there is faith, determination, programs and projects with a great nationalistic feeling for finding the best possible solutions.

The efforts of the government sector and the production sector are joining together in Guatemala to forge a better nation where all Guatemalans will enjoy the same opportunities and rights.

The benefits of the programs now being developed will be felt in the decade to come. We are confident that the year 1980 will confirm Guatemala's social and economic takeoff, that of all Guatemalans. Thank you.

Guatemala, December 1979

Summary of Principal Concepts on the Guatemalan Economy Presented by the President of the Chamber of Industry

In his report before the American Chamber of Commerce of Guatemala, Herbert Fischer S. outlined Guatemala's economic evolution from 1974 to 1978, in 1979, and gave projections for 1980. Fischer emphasized that during the 5-year period between 1974 and 1978, the world economy was affected by the 1975 recession, the international monetary system was disturbed by a destabilization of rates of exchange that led to the restructuration of the international monetary system, and finally, all nations in the Western world were affected by the scourge of inflation which gained speed in 1973 with the increase in the prices of oil and oil products. During this same 5-year period, Guatemala suffered unprecedented experiences, including the inflationary process and the devastating earthquake of 4 February 1976, which left a sequel of human lives lost and material damage totaling over 1 billion quetzals.

Despite these adverse phenomena, Guatemala's economy reacted favorably during the 5-year period, achieving the highest economic growth rates of recent years and managing to check the rate of inflation to some extent. In fact, beginning in 1975, the year in which economic activity slowed down, the growth of that activity, based on the gross national product at constant prices, registered an accumulative annual rate of 7 percent, one of the highest attained by developing countries in the Western world. This in turn resulted in accumulative real growth of 4 percent of the per capita income.

Fischer said that the combination of efforts of the private and government sectors, joined with the positive reaction of all Guatemalans to the task of rebuilding the country, the favorable coffee and sugar prices and the effort to find new export markets for our industrial products, strengthened the national economy. He indicated that the economic growth had extended to broad sectors of the country, with the resulting improvement in the level of income and the creation of new jobs. Finally, he said that at the end of 1978, monetary reserves reached the record level of $800 million, all within a framework of relative monetary stability and absolutely uncontrolled foreign exchange.

1979

The president of the Guatemalan Chamber of Industry also pointed to the real and subjective factors that have affected Guatemala in the course of 1979, both on a world and regional level. Despite these factors, Guatemala's economy continued to grow in 1979 at an estimated real rate of 4.5 percent annually, which can be considered satisfactory, although it is slightly lower than the 1978 rate of 5.2 percent.

In 1979, the country was helped, despite some damage, by an acceptable level of rainfall and it is hoped that there will be a satisfactory evolution of agricultural supply, regarding exports as well as the basic grains consumed by the population.

With respect to industrial activity, it is estimated that the real expansion of this sector may achieve an approximate rate of 6.2 percent this year. In close connection with the agricultural and industrial sectors, commercial activity also showed a parallel increase.

In contrast with these sectors is construction, which is expected to show a marked decline compared with 1978. The entry of long-term foreign capital, invested mainly in the productive and government sector, combined with the development of the agricultural, commercial and industrial sector, all helped Guatemala's economy in 1979.

Fischer said that the average annual inflation rate for 1979 will be around 11 percent, which can be considered as acceptable, both locally and internationally.

Foreign Sector 1979

The result of all transactions abroad caused Guatemala a slight loss of international monetary reserves for 1979, which could be placed at around 30 million quetzals. With this result, our international monetary reserves will total approximately 750 million quetzals at the end of December 1979, a figure considered adequate and one that would cover five and one-half months of imports. This indicator is one of the highest in Latin America and reveals the solidity of our country.

With respect to the banking system, Fischer pointed up the concern of monetary authorities with revising the current system of interest rates so that our system will be realistic and in keeping with foreign capital markets, inasmuch as Guatemala's commercial and financial connections, its geographic location and the rapid means of communication and banking services make it indispensable for the country's system of interest rates not to be divorced from the international context.

1980

In the final portion of his address, Fischer emphasized that Guatemala's economy in 1980 will continue to evolve at a rate that could be higher than in 1979, and that his estimates are the result of the faith and confidence that all Guatemalans have in their country and of a serene and objective analysis of the factors affecting the national economy.

This possible growth of Guatemala's economy for 1980 is even more revealing since it is expected that the economy of the industrialized nations will experience a decline in economic growth in 1980. Fischer said that Guatemala's economy will record a real growth rate on the order of 5 percent, resulting in a real increase in per capital income of 2 percent.

The expected improvement in 1980 compared with 1979 is fundamentally based on the combination of high prices abroad for our principal agricultural export products, the startup of new industrial plants and expansion of existing factories, the possible export of oil for the first time in Guatemala's history, a larger volume of nickel exports and an increase in the number of tourists visiting the country.

Fischer also pointed to the total freedom in the country as a fundamental pillar of development and emphasized the promotion and passage of new laws aimed at the people's social and economic welfare.

In 1980, Guatemala's economy will be alive, growing and probably stronger than in 1979. The country's reserves will total some 780 million quetzals by December 1980, a figure representing an increase in Guatemala's foreign exchange compared with levels observed in 1979.

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'HOY' SCORES U.S. AMBASSADOR, INTERVENTIONIST POLICY

PY241641 Asuncion HOY in Spanish 24 Jan 80 p 9 PY

[Editorial: "Friendship and Sovereignty"]

[Text] Mr Samuel Eaton, deputy assistant secretary for inter-American affairs of the U.S. State Department, is here for a stopover during the observation and fact-finding trip he is making in the southern part of our continent.

He will meet high-ranking government officials and leaders of political parties, the church and the private sector to familiarize himself with the situation in Paraguay and to personally get to know the prominent figures of this country.

It is perfectly correct and acceptable that the U.S. Government should be wholly familiar with the situation in a country with which it maintains normal relations so it can have objective bases for drawing up its policy toward it. In the same manner, Paraguay needs to know the situation in the United States and to establish direct and the closest possible contacts with the personalities who, whether in government or in the opposition, influence the course of that policy, because of Paraguay's own interests as well as the common interests at stake.

From the point of view of international law and national dignity, the two nations have absolutely equal relations, to which it should be added that both are members of the community of American nations institutionalized in the OAS, and they also agree on the essential lines of foreign policy vis-a-vis the bloc of communist states. Apart from circumstantial disagreements which may appear, the U.S. and Paraguayan governments have permanent interests in common. Without taking the vast differences in power into account, the situation of each is of vital interest to the other. But, since they are sovereign states, these common interests, however deep they may be, do not authorize either of them to interfere in questions which we may call the private dominion and competence of the other. It would be absolutely intolerable and even laughable, for instance, if the Paraguayan

Government were to support a certain candidate in the U.S. elections. If Mr Samuel Eaton acts according to these norms of mutual respect for sovereignty, he will undoubtedly have the greatest success in his contacts and we hope that after his visit he will take with him a clear and objective picture of the situation in this country as far as bilateral relations are concerned, and that he will broaden and strengthen them on the basis of that picture.

Mr Eaton's visit coincides with Ambassador Robert White's departure at the end of his mission. In our opinion, Ambassador Robert White has not always acted with the discretion that is expected of a diplomat, and we cannot escape the impression that he has been an interested party in the internal problems of Paraguay, or at least has acted as a judge, both of which are roles that do not belong to him. Without making any premature judgment of his intentions, this is the impression he has left among the public.

Regardless of the opinion we may have of his course of action and the relationship it may have to his government's general policy of open and determined defense of human rights--with which we fully agree since it has to do with the very bases of our civilization, and these rights are included in the UN Universal Human Rights Declaration signed by this country--he should have been aware that their application is the sole and exclusive domain of the Paraguayans.

Some members of the Paraguayan opposition, perhaps confused by Ambassador White's militant attitude--if we may call it so--seemed inclined to consider him an ally rather than an official from a foreign country, however friendly that country may be.

It is necessary to defend the principle. Let us suppose that some of our countrymen believe that the ambassador's intervention has been good and just. Tomorrow that same intervention may seem to them to have been quite the contrary. If intervention is tolerated in one direction, it will have to be endured in all directions. Neither the government nor the opposition may be influenced, and much less guided by the ambassador of a foreign country. This would mean total disregard for our long and heroic tradition of struggle for independence. In our opinion, the Paraguayan people are the only competent judge.

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SUBCOMMITTEE TO STUDY OIL TECHNOLOGY, TRADE AGREEMENTS

Caracas EL UNIVERSAL in Spanish 12 Jan 80 p 2-27

/Article by Alirio Bolivar: "Subcommittee Named to Study Oil Technology and Trade Agreements"/

/Text/ The Congressional Representative Committee last night agreed to create a special subcommittee to receive data on the oil industry's technology and trade agreements which the president will sign in the near future with transnational companies.

The subcommittee is composed of Congressmen Valmore Acevedo Amaya and Haydee Castillo de Lopez Acosta (COPEI) /Social Christian Party/, Arturo Hernandez Grisanti and Luis Esteban Rey (AD) /Democratic Action/ and German Lairet (MAS) /Movement for Socialism/.

The Representative Committee met last night with Energy and Mines Minister Humberto Calderon Berti who explained the scope of the agreements to be signed in the near future. He also provided the committee with an indepth analysis of the government's oil policy.

The session began with a MAS proposal stressing the need for congressional participation in renewing those agreements and for detailed information on their contents.

Deputy German Lairet spoke on behalf of the MAS congressional delegation. He said that the best way to avoid a repetition of the mistakes of the past and to use the experience gained in 4 years is to allow congress to study and approve the oil agreements to be negotiated.

Lairet referred to a report published by the Comptroller General stating that the earlier contracts contained many elements that are contrary to the national interest and he cited many irregularities in the recently expired contracts and the damages to the country resulting from them which congress must now correct.

Deputy Lairet said that congress had a right to be kept informed on the broad outlines of the agreements signed by the nation through PETROVEN /Venezuelan Petroleum, Inc./. This does not mean, he explained that PETROVEN will have to provide congress with details of every contract that is signed with the operating companies.

Calderon Berti

Minister of Energy and Mines Humberto Calderon Berti was accompanied by directors from his office and the PETROVEN board. He recognized Deputy Lairet's right to request as much information as possible on the oil contracts. He discussed a report submitted to congress earlier to confirm his position on the technology agreements. He also quoted favorable comments made at that time by Deputies Ramon Tenorio Sifontes, German Lairet and Luis Esteban Rey.

The minister explained that the 1976 technology contracts were signed in response to different circumstances and he added that his office had already sent PETROVEN the data that is to be used for the renegotiation of the agreements. He said that over the past 4 years independent contracts have been signed with technology centers and this has allowed the company to gain some experience.

He confirmed that the country will save 400 million boilivars and he explained that the new contracts will run for periods of 30 months to prevent their simultaneous expiration as opposed to the 4 year ones which just expired.

Calderon Berti asked for confidence in the petroleum industry's executives because they are qualified and capable. He also said that an effort is being made to keep politics out of the industry because it would not be beneficial to the country. President Luis Herrera Campins' position on this subject is already known.

The Minister of Mines had expressed these views previously at a press conference on Tuesday. At his meeting with the Representative Committee he only added a few explanations.

He insisted that the new terms of the contracts renegotiated by PETROVEN, among them the "control of the future" which allows the company to maintain control over the market where the crude is to be sold and other equally important terms [sentence as published].

Hernandez Grisanti

Deputy Arturo Hernandez Grisanti spoke after Minister Calderon Berti. He explained that there was no question that the present contract conditions were different because today we have 4 years of experience and training in running the petroleum industry and international market conditions are also different.

"Whether we are part of the government or in the opposition, we will always place anything that benefits the petroleum industry first, ahead of any other interest," the AD representative said. He also explained what he believes to be the scope of Article 126 of the Constitution.

The AD leader said that it was impossible to make public the content of all the contracts because this would place Venezuela at a disadvantage with respect to the other producers. Nevertheless, because it was a subject of great importance, Congress should be kept informed about the contracts.

Hernandez Grisanti proposed that a special subcommittee be created to receive from the president complete information on the trade and technology contracts and on oil policy matters in general.

Ramon Tenorio Sifontes

Deputy Ramon Tenorio Sifontes (URD) /Democratic Republican Union/ reaffirmed the remarks he made on the subject before the Representative Committee in 1979 when the Minister of Energy and Mines was present. He said he believed that the unfavorable terms of the previous contracts were being corrected and this was good for the independence of the industry. He concluded his remarks by supporting the proposals made by Deputies German Lairet and Arturo Hernandez Grisanti.

Godofredo Gonzalez

The president of the National Congress, Godofredo Gonzalez, announced his approval of the proposal made by Deputy Arturo Hernandez Grisanti and he reaffirmed that that the oil technology and trade contracts are of national interest and, therefore, Congress should be kept informed about them as provided for in Article 126 of the Constitution. In his remarks, he reiterated the position he took at the time the oil and iron industries were nationalized by Carlos Andres Perez. That is why he supports the creation of the subcommittee to study the situation.

MAS Does Not Back Government's Oil Policy

Deputy German Lairet spoke again to say that his party does not support the government's current economic policy and he said that President Luis Herrera Campins' statement that during the first 9 months of his government the price of oil had doubled was not true. Everyone knows, he said, that conditions leading to the price hike developed earlier. He charged that an oil aristocracy was being created to replace the military aristocracy and he pointed to the need to elminate the taboos that are being created about petroleum.

Lairet concluded his remarks by supporting Arturo Hernandez Grisanti's proposal for the creation of a special subcommittee to keep congress informed on contract developments.

Suiberto Martinez

Martinez reminded those present of a suit before the Supreme Court calling for the nullification of the trade contracts. He completed his brief remarks by supporting German Lairet and Arturo Hernandez Grisanti's proposals. He said that he would amend Grisanti's proposal to include expert advisors to study the scope of the agreements.

Arturo Hernandez Grisanti spoke again after Deputy Suiberto Martinez. Hernandez asked the president of congress and COPEI, Godofredo Gonzalez, to explain some points in his remarks. If supported his proposal calling for the creation of a subcommittee while at the same time saying that the agreements should be discussed and approved by congress, then he would withdraw his proposal so that COPEI could reach a new agreement with the MAS, URD and the MEP /People's Electoral Movement/.

Deputy Oswaldo Alvarez Paz expressed COPEI's position in this respect and its willingness to approve the creation of the subcommittee. He said that he was certain that the AD, who has always defended the interests of the country particularly now that it is in the opposition, would do so now again. Therefore, the COPEI hopes that the AD will always remain in the opposition where it has demonstrated its effectiveness.

The Minister of Energy and Mines took the floor again to explain some points raised by the congressmen, particularly a charge made by Deputy Lairet to the effect that Venezuela's oil prices were the lowest in the world.

Calderon Berti explained that it was not worthwhile to sell on the spot markets because they were not stable or advantageous especially for a country that has acted responsibly within OPEC.

The meeting ended after 2130 hours. Several proposals were left for discussion at the next meeting.

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